



# A SHORT HISTORY

OF

# ENGLISH COMMERCE AND INDUSTRY

BY

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## P R E F A C E.

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THE scope of this Short History is explained in the Introductory Chapter. Its object is to give a brief account of the commercial and industrial development of England from the earliest times to the reign of Queen Victoria. The limits of space would, in any case, compel the selection of certain points for special treatment, and the omission of many others, but an endeavour has been made to touch at least upon the most important events and characteristics of each period. An order of time has been followed so far as it has been possible, but in some instances it has been necessary to depart from this arrangement in order to complete a story. It is obvious that such a book cannot pretend to originality; and the obligations of the author to living writers like Professor Ashley and Dr. Cunningham, who have created Economic History for English students, are great. He is indebted also to many others, and the utmost that he can hope to have attained is to have consulted such authorities, so far as they have been accessible. It has been thought well, in order to permit, and if it may be to encourage, fuller study, to mention in the text, where opportunity has occurred, the chief

books on which reliance has thus been placed. The history ends with the introduction of Free Trade, because with this event one period seems to close, and another to begin, and the incidents of the last period, which is now running its course, are as yet too close to allow of calm observation from a distance

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# A SHORT HISTORY OF ENGLISH COMMERCE AND INDUSTRY.

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## CHAPTER I.

### INTRODUCTION.

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1. The opening of the twentieth century is an important epoch

The influence exerted on the thoughts and conduct of men by the fact that one century is ending, and another is beginning, can hardly be doubted by observers of the "signs of the times." The periods thus distinguished may be artificial divisions, but they impress the imagination, and their close, or opening, may hasten or hinder action. An opportunity is given for review of the past, and for prophecy of the future, which seems to be more appropriate, and more significant, than any afforded in the time between. In the stress and hurry of life actors and spectators may be so continuously occupied as to concern themselves with nothing more than the passing events and interests of the succeeding

scenes, but the fall of the curtain on one act, and its rise on another, suggest a study of the plot of the drama, and the occasion is seized by the thoughtful, and forced on the careless. A seriousness and a mystery attach to such moments, which may exalt them above their real importance, but compel attentive notice.

## 2 An inquiry into the commercial and industrial history of England is suggested

The period, marking the close of the nineteenth, and the opening of the twentieth, century may take a noteworthy place among such epochs. It has produced an abundant crop of meditations and prophecies, and it has been marked by incidents of critical interest.\* That the nineteenth century has been one, in which England has attained an Empire wider than any yet recorded by history, is a fact attested by the jealous admissions of opponents waiting opportunity for successful assault. That during the same period she has enjoyed a supreme position in commerce and industry, which some regard as a cause, and others as a consequence, of that world-wide Empire, allows of no more question than the ominous circumstance that the close of the century has witnessed resolute attempts to challenge that supremacy on the part of the thrifty, industrious German, and the alert, inventive American. Whatever, measured by the test of figures, be the success, which has as yet attended those efforts, they have prompted gloomy predictions of the future, which may, or may not, be realised. They suggest examination of the past. They encourage an endeavour to find the causes, to which our industrial

\* *Eg*, the wars between China and Japan, the United States and Spain, and the English and the Boers, which seem likely to produce consequences of great importance to the future of the world.

and commercial supremacy has been due. We are instigated to trace their working, sometimes gradual and sometimes speedy, sometimes obvious and more often obscured by surrounding circumstance. We note the assistance, which they have received, and the obstacles they have encountered. We guess how far they are enduring, and how far they are perishing, in what respects they need, and admit of, internal strengthening or external support, in what directions they are most exposed to menace or danger, on what sides they are likely to prove least infirm or vulnerable in the near or distant future.

3. Such an inquiry belongs to "economic history"—a department of "economic science."

This inquiry belongs to what is known as "economic history." An English economist\* has recently defined his subject as a "study of man's actions in the ordinary business of life"—as inquiring "how he gets his income, and how he uses it." "Thus," he proceeds, "Political Economy, or Economics, is on the one side a study of wealth, and on the other, and more important, side a part of the study of man. For man's character has been moulded by his every-day work, and by the material resources, which he thereby procures, more than by any other influence, unless it be that of his religious ideals, and the two great forming agencies of the world's history have been the religious and the economic. Here and there the ardour of the military or the artistic spirit has been for a while predominant, but religious and economic influences have nowhere been displaced from the front rank even for a time, and they have

\* Professor Marshall in his "Principles of Economics," vol 1, book 1, chap 1

nearly always been more important than all others put together. Religious motives are more intense than economic, but their direct action seldom extends over so large a part of life. For the business by which a person earns his livelihood generally fills his thoughts during by far the greater part of those hours in which his mind is at its best, during them his character is being formed by the way in which he uses his faculties in his work, by the thoughts and feelings which it suggests, and by his relations to his associates in work, his employers or his employés."

#### 4 Economic history is of great interest and importance.

This definition, which does not end in narrowness, may conveniently indicate the general character of the investigations of the economic historian. He is concerned, similarly, with the study of that part of history, which relates to "man's actions in the ordinary business of life," to the inquiry "how he gets his income, and how he uses it." The interest of this study will not be questioned by anyone, who pursues it with serious attention, its importance alike for statesmen and for philosophers must be acknowledged by all candid inquirers. For the conduct of the affairs, and the interpretation of the thoughts, of a commercial and industrial nation, like our own, an adequate knowledge of their economic history must be fraught with advantage, and ignorance of it is likely to lead to danger, or even disaster. To understand the present, and to guide the future aright, an acquaintance with the significant facts of the past is necessary, and economic facts are not the least significant for a commercial and industrial people.

5. But it is comparatively young. The historian has been inclined to neglect it

Yet economic history is comparatively young. It is recently that it has secured distinct recognition from historian and economist. The one has been disposed to neglect it, or to hold it in strict subordination, the other, retaining the memory of a bitter controversy, has found it hard to overcome a suspicion once excited. "Picturesque" historians have concerned themselves with the stirring incidents of history, with the pageantry and intrigues of courts, the perils and exploits of war, the rise and fall of dynasties, the ambitions and rivalries of politicians. "Philosophic" and "scientific" historians, who have endeavoured to penetrate beneath the surface, and to disclose the underlying causes influencing the actions of men and of nations—the deep-seated forces directing the movement of affairs—have turned their attention more often to political, religious, and ethical, than to strictly economic considerations. They have indeed occasionally considered the economic state of a country, its riches or its poverty, the numbers and efficiency of its population, its readiness or ability to contribute to revenue, or to furnish and maintain armies and fleets. The distribution of wealth between different classes of the community may sometimes have entered among the factors contributing to form a historical judgment. Some attention may have been devoted to the "condition of the people," to the details of their callings, to the development or decline of their agriculture or their manufactures, to the success or failure of their trade at home or abroad. But such topics, which are of the first importance for the economic historian, have generally been kept in the background.

Until lately it has been the exception rather than the rule to find any large space given to economic considerations in the pages of a general history

### 6 It requires some economic training

This result may be due to the influence of instinct or tradition, or it may be traced to a lack of special training. For an adequate treatment of economic history is scarcely possible without such training. The economic historian explores the history of the past, and he differs from the general historian in devoting special attention, as he travels over the ground, to economic facts and forces, which may indeed be connected with those interesting to the politician and the moralist, but form the special object of study of the economist. He should therefore possess, in addition to his historical training, a familiarity with the outlines of that economic science, which was defined above. He should know the nature of the reasonings pursued, and the conclusions reached, by those who, like the economist from whom we have quoted, have devoted themselves to the systematic investigation of "man's actions in the ordinary business of life," who have inquired "how he gets his income, and how he uses it," who have attempted to detect and to analyse, to trace to their origin, and to follow to their effects, the motives, which influence the conduct of men in the production, distribution, exchange, and consumption of wealth.

### 7 But the economist has viewed it with suspicion

But if, in search of this information, the historian betook himself to the economist, he might possibly return from his quest in bewildered despair. He might find that the economist looked with suspicion on economic history, and hesitated to engage in alliance on terms of

mutual aid and respect. The echoes of a controversy, which once raged with bitter obstinacy, are still occasionally heard, and the memory of claims and rebuffs remains as an obstacle to reconciliation. The controversy arose on the methods of study. One party urged that the method, mainly followed by a powerful school of English writers, was fundamentally wrong. They contended that those writers, of whom David Ricardo\* was the most famous, had constructed from their imaginations convenient, but fictitious, conceptions, which did not correspond with fact. They had created the idea of an "economic man," constantly engaged in the pursuit of wealth, deaf to motives, and blind to considerations, which would not lead him by the most direct road to the goal of which he was in search. The whole of this elaborate construction, they urged, must be levelled to the ground, and the study commenced afresh. From a new starting-point the economist must issue forth, and be guided on his route by a new method. He must industriously gather together a mass of facts, he must slowly raise on their broad basis secure general truths, and if he attempted by reasoning to draw conclusions, he must compare his results constantly with actual facts, and reject without hesitation those with which the facts did not at once agree. Such was the criticism offered by these assailants of the dominant sect. Such, stated in its most extreme and uncompromising terms, was the profession of faith, which they put forward.

8. The "historical method" was once a subject of controversy.

They were described as belonging to the "historical

\* He lived from 1772 to 1823 Cf Chapter X

school," and they advocated the use of the "historical method." The description was appropriate; for historical study laid stress on the importance of facts. But it might mislead, and it gave rise to prejudice. The defenders of the position, thus vigorously assailed, were prone to associate the method with its advocates, and to condemn alike the extravagant utterances of eager controversy and the employment of an useful instrument of inquiry. The assailing party were disposed to regard the study of economic history as necessarily connected with the repudiation of the whole scheme of doctrine held by their opponents, and to reject with scorn the possibility of deriving any benefit or aid from any portion of their teaching.

### 9 Reconciliation was possible

The field of economic investigation has now grown so large that the advantage, or necessity, of dividing it into separate portions has become plain, and economic history occupies a distinct and important, but not exclusive, place among those divisions. The controversy between the "historical" and the "Ricardian" school, between the advocates of the "new" and the "old" method, as they are often distinguished, with some inaccuracy, is closed by a mutual admission that there is room for both in the wide region of economic inquiry. Either may make a more prominent use of the methods which they prefer, and find to be more appropriate to their studies, but they will retard, and not promote, advance by contempt or contradiction. A knowledge of the principles of economics, as expounded by Ricardo, and his more liberal and instructed successors, will improve the intellectual equipment of the economic historian, an acquaintance with the results of historical

research is no less indispensable to the ordinary economist who wishes to be abreast of his subject

### 10. It has only been recently achieved

This understanding has been reached by gradual stages, and hitherto, perhaps, has met with wide rather than universal acceptance. In any case, it is recently that the general historian, on the one hand, has shown any marked inclination to devote attention to those of the conditions and circumstances, the events and the acts, that he narrates, which may be classed as economic; and, on the other, no long time has elapsed since the results of controversy have been shown in the definite grant by the economist of a sphere of inquiry to historical research. As a separate systematic study, with a recognised position, and a defined area of work, "economic history" is comparatively young. The general study of economics in any form resembling its present shape does not, as we shall see at the conclusion of this history, date back to a time much earlier than that at which Adam Smith wrote his "Wealth of Nations," and England was entering on her manufacturing supremacy. But, if Economics is thus little more than a century old, Economic History has hardly attained its majority. It is true that writers, discussing economic topics, engaged in historical research in days before Adam Smith, but they were rather unsystematic and unconscious pioneers, anticipating the work of later times. It remains substantially true that economic history is comparatively young. It may display all the vigour, and some of the confidence, of youth, it can scarcely as yet command the ripe experience, the broad wisdom, or the stable judgment of matured age.

11 Consequently, economic history presents difficulties arising from imperfect knowledge of the material

From this position certain consequences follow, which deserve and require notice. The economic history of this country alone consists of a mass of material, which has only been partly examined. Labourious research has as yet been unable to accomplish more than a portion of its task. A preliminary survey has been made of the country to be explored, and in some directions the ground has been scrutinised with minute attention. But it is impossible to review even rapidly the results of the work of different investigations without feeling that, while year by year greater certainty is attained on matters of main importance, that which is still uncertain represents a large part of the entire area. Some of the most plausible guesses, and promising theories, of earlier pioneers have been called in question, and proved untenable, by later workers. The student, attempting to examine for himself an economic event, or series of events, will often be surprised, and perhaps discouraged, to find how scanty is the information obtained from any general history, and how ambiguous, and even contradictory, have been the conclusions of economic historians.

## 12 Especially in the earlier periods

This uncertainty, as we might expect, attaches in a greater degree to earlier periods. As we advance to later times we are met by more abundant material for forming a judgment, and by more definite, authoritative opinions of its value. On the one hand, the general historian, though he may not recognise the full importance of economic considerations, possesses a more accurate and minute acquaintance with the details of the

period, with which he is dealing, and in giving fuller treatment to events and circumstances generally, is compelled, consciously or unconsciously, to include in his narrative a more ample notice of those, which are of interest for the economic historian. He may still select for emphasis the more stirring and picturesque incidents, or the more familiar and significant movements and forces, as they appear to him; but his principle of selection is likely to prove more liberal, when he finds an abundance, and not a poverty, of material. On the other hand, the later the period, which we are examining, the more probable it is that competent economists should take their place among the authorities, on which we rely. They, indeed, may find their chief interest elsewhere than in collecting economic facts, or studying economic forces, with a single view to historical research. But they are not unlikely to assist such an aim, for they will supply references, many or few, to contemporary conditions and circumstances treated in their economic significance. It is hardly necessary to add that, defective as they may seem, when tried by the later standard of wider knowledge and more scientific attainment, they are likely to prove superior to their own predecessors. From both sides, then—from that of the general historian and that of the ordinary economist—the economic historian is destined to meet with larger, more effective aid in the later than in the earlier periods of history.

### 13. But also in the later.

Even in these he will still be beset by difficulty arising from the mass of material partly, or wholly, unexplored. He must be content to discover that the efforts of investigators have centred on prominent portions of the

subject rather than been spread over the whole. Certain facts, or institutions, have attracted peculiar, and perhaps disproportionate, attention, and researchers have endeavoured by diligent scrutiny to ascertain their character and measure their significance. This task has absorbed their energies, and forced them, either to postpone to a future occasion the minute study of other conditions, or at least to group round some central fact or institution the circumstances of the times.

14 It is necessary to select some central fact or institution for special attention

In the successive chapters of this history, in which we shall attempt to give a brief account of the agricultural, industrial, and commercial development of England, we shall conform to this model. We shall follow this course, both because the space at our disposal compels selection and abridgement, and also because we desire, so far as it may be possible, to treat mainly of those parts of economic history which, resting on the most certain and established foundations, seem at the same time to be most calculated to arouse and maintain interest. They have exerted a peculiar attraction for the researcher, they may perhaps serve to transmit some of his enthusiasm to the reader.

15 This course will be pursued in the successive chapters of the present book

From the dim obscurity, which surrounds the long Roman occupation of Britain, and lingers about Anglo-Saxon institutions, we shall advance into the fuller light following the Norman Conquest. The Manorial System, under which agriculture was then generally pursued, though its origins, and even in some respects its mature formation, date back into Saxon times, may be treated as

the conspicuous feature of country life, while the development of Gilds was a prominent characteristic of economic activity in the growing towns. From the eleventh, twelfth, and thirteenth centuries we shall pass to the three which follow. They may be said to embrace the transition from mediæval to modern conditions. In commerce and industry the growth of the Woollen Trade, which, more than any other, deserves the name of being historically the staple industry of the country, may form a convenient centre, around which movements and institutions may be grouped. In agriculture the Black Death, the Peasant Revolt, and the Inclosures overshadow other events. We shall then examine the Mercantile System, founded on the old economics of the sixteenth, seventeenth, and eighteenth centuries, in contrast with that Industrial Revolution, which accompanied the growth and propagation of the new ideas of the eighteenth and nineteenth centuries. Of the former period the encouragement and regulation of Domestic Trade and Industry and Foreign and Colonial Commerce, in accordance with mercantilist ideas, are outstanding features. But they are not surpassed in importance and prominence by the development of Agricultural Science and Practice, by the rise of the Factory System, and the introduction and adoption of Free Trade, as leading incidents of the later period. In conclusion, we shall attempt to review the progress of that Economic Science which was in a sense "born again" at the time of the Industrial Revolution, and accompanied, and aided, the full recognition of Free Trade.

## CHAPTER II BEFORE THE NORMAN CONQUEST.

### THE ROMANS AND THE ANGLO-SAXONS

**I** The economic history of early times is scanty

A scarcity of material, and a difficulty in fixing its meaning, compel the economic historian to pass lightly over large portions of our early history. The occupation of Britain by the Romans lasted for some three centuries and a half, and it was separated from the Norman Conquest by more than six hundred years. Yet the economic history of this long period, which exceeds that which has since elapsed, is of necessity compressed within narrow limits. It can only be written by the help of meagre indications, and by the lavish use of inference and surmise. A few facts of some certainty stand out from the dim background, but they are not sufficient to furnish the framework of a detailed story. In a number of cases we are forced to argue from the circumstances of later to those of earlier times, and thus to reason from the known to the unknown. Such a method, however necessary it may prove in default of other information, may easily mislead, and is a treacherous path for the unwary to tread. In other cases we interpret the statements of ancient writers on the actual condition of their times by our modern experience, and

we may read into their words a meaning which is not contained.

### 2. Roman civilisation in Britain resembled that found elsewhere

It is true that in its broad features Roman civilisation in Britain seems to have corresponded to that, of which distinct traces survived in abiding influence on the customs and institutions of other nations, and accounts exist, written by competent observers. It is also true that allusions to the economic conditions and material resources of Britain itself, before and during the Roman occupation, may be found in Latin anthoys. But they are few and fragmentary ; and it is not doubted that the Roman civilisation disappeared more completely here than from the Continent of Europe, and that the arrival of the Saxons involved a return to comparative barbarism.

### 3 In the Anglo-Saxon period anticipations of later institutions may be found

It may be allowed that some of those economic institutions, like the Manorial System, which we find prevailing at the Norman Conquest, date back to the Saxon period, and in some places, and in some respects, had already attained a matured character. The invaders from Normandy, dislodging the previous occupants from positions of authority, continued to administer the organisations, over which they presided, pushing to completeness some tendencies already manifest. Similarly the Gilds, which became so prominent a feature of economic life in the towns, may less certainly be connected with Saxon anticipations. It is none the less true that the Norman Conquest marks a dividing line, and that, while, measured by duration in time, the six preceding centuries may seem a long period, they are

an episode of small importance in the life of the nation, if we judge them by what is known with any certainty of their economic significance

4 The period before the Roman occupation is difficult even to imagine

If we try to penetrate further, and grope our way by hesitating steps among the mists, which envelop the country before the Roman occupation, we may discover some scanty signs of economic activity. We may unearth remains of the rude implements of primitive peoples, and distinguish periods of antiquity by the material—the stone, or bronze, or iron—of which they consist. We may discern the dim figure of the short and dark Iberian, followed by the fair and tall Celt. We may imagine the pastoral life of wandering shepherds giving way in some places to agriculture, as different tribes settled to the more abiding occupation of those districts, from which they excluded their enemies. Before the Romans came they seem, in some parts of the country, to have domesticated various animals, and attained some degree of skill in tillage of the ground.\* Some foreign commerce, at least in the exportation of the metals, had apparently arisen, and the Romans may have been tempted to their descent by rumours of the possibilities of mineral and agricultural wealth spread through the channels of trading intercourse. Some exchanges of rude articles, of personal adorning, perhaps, and of food, may have taken place in some districts between the members of the same, or different, tribes. But to compose from these scamps of information, or guesses, any adequate account of the economic condition of the country and the activities of its inhabitants,

\* E.g., in "marking" the land

to show how in these primitive days men obtained their income and how they expended it, is a task as hard as it is unsatisfactory.

### 5. The Romans introduced an advanced civilisation

With the triumph of the Roman arms an advanced civilisation made its entrance, and here, as in other districts of the world, the Romans left behind indelible traces of their greatness. It is true that their withdrawal some four centuries later was followed by a period of disturbance, which involved in irretrievable ruin many, if not most, of their institutions, and in this respect our country was unlike parts of the European Continent, such as France, over which Rome exercised her sway. Recent research has attempted to rescue from the destruction wrought by the Anglo-Saxon invaders relics of Roman organisation, and to trace back to their anticipations in Roman times some of the prominent institutions of a later period. It seems possible that in this, as in other departments of historical research, inquiry may revert to the older explanation of the facts, and, in any event, the opinions we may form must rest largely on conjecture.

### 6 They left behind material remains of their greatness

The material remains of Roman greatness were more lasting, and the least observant of men could hardly fail to be impressed by their testimony to the high level of Roman civilisation. The traveller, who to-day visits Rome itself, finds among the many sights of that amazing city few more impressive than the remains of the aqueducts stretching across the deserted Campagna, and in some cases bringing, as in imperial times, those copious supplies of fresh water in which Rome

equals or surpasses the most modern of cities. Yet a more impressive sight, recalling more vividly the vast power of the empire, may be discovered in our own land, in the ruins of the wall extending from sea to sea across the North of England. When we contemplate the remains of the bridge which spanned the stream at one place, when we scrutinise the ruts of the chariot-wheels at the gates of the camp at another, or when we trace the line of the wall following the edge of the hills, we note with admiring wonder how the authority of Rome and her genius for grand enduring construction made themselves felt at these extreme boundaries of her vast dominions. We cannot fail to feel the greatness of the people. The long lapse of time has not sufficed to destroy such memorials of their power. The tessellated pavements and heating apparatus of their villas, the ruins of their castles, the foundations of their military roads, like Watling Street, which sometimes followed, but also confirmed for ever, the line of older causeways, recall the fact that for three centuries and a half they occupied Britain.

7 Their economic activity was shown in various ways

Their rule may have been less firmly established and their civilising influence less dominant in some parts of the country than in others. Their main strength may have lain in the south. In the north the great wall, or series of defences built by successive emperors, was intended to arrest the incursions of the Pict, and in the west the tribal institutions of the Celt offered apparently a stubbornness of resistance which insured the survival of some of their features to Saxon and even later times. It is possible that the Roman civilisation may have affected deeply those sections of the population alone

with which they came into more immediate contact, and outside the towns, and among any but the higher classes, their influence may not have been considerable, and therefore may not have proved enduring. But the growth of those towns, among which London and York, Chester and Lincoln, Gloucester and St. Albans, may be named, the export of grain, largely compulsory, which earned for Britain the title of one of the granaries of Rome, the increased production of minerals—of tin in Cornwall, of lead in Derbyshire, of iron in the Forest of Dean, and even of coal in Northumberland—afford proof of the energy and capacity of the Romans in kindling economic activity, and turning to advantageous account the natural resources of the country. That the establishment of the “Roman peace” would permit and encourage economic progress is as certain as the raising of revenue from duties on imports and exports points unmistakably to the existence of foreign trade. The revenue levied from this and from other sources, together with the liability to serve in the armies, was probably the most oppressive incident of Roman rule. It must receive serious attention in any attempt to weigh the general advantages and drawbacks of the occupation.

### 8 The exact effects of the Anglo-Saxon Conquest are doubtful.

At the beginning of the fifth century the increasing difficulties, which beset the Empire, led to the withdrawal of the Roman legions, and a period of long disturbance followed. For some time even before that withdrawal Saxon pirates on the southern coast and Picts in the north had harassed the country, and to check incursion threatened from the latter quarter the inhabitants, to their own doom, invited foreign help. 410

For the strangers, who came in response, first vanquished the Picts, and then turned their arms against those who had asked for their aid. Following on their success, fresh bands of invaders crossed the sea. By a series of conquests extending over many years the Anglo-Saxons became dominant in Britain. From their original homes, where they had apparently been little, if at all, affected by Roman influence, they brought their Teutonic manners and customs. They forced the Britons gradually westward, and, while it is possible that in some cases they may have adopted or merged in their own institutions particulars of Celtic organisation, it is possible also that fighting peoples, such as they were, preferred to harry the original inhabitants from their dwellings, and to drive them to take refuge in remote districts of the land, to retaining them in immediate servitude. It is possible, again, that in some places and in some respects they may have transferred to later times unaltered in their main characteristics Roman arrangements which they found existing, but it is also possible that throughout the greater portion of the country they erased the Roman civilisation, and substituted their own peculiar customs. From lack of assured knowledge, and the uncertainty of inference drawn from later conditions, our answers to such questions must remain ambiguous, and the authorities are not agreed.

9 But the Saxon period was one of little economic progress.

But that the period was one of little progress, and much of the Roman civilisation vanished, cannot be questioned. The towns fell into decay,\* and the rude practices of a primitive agriculture supplied the main

\* E.g., Silchester, the site of which has been lately discovered

activity of economic life. Some simple, necessary hand-crafts were no doubt pursued within the villages. The carpenter, blacksmith and shoemaker must have been not the least important inhabitants, apart from those fully engaged in the ordinary work of agriculture, as it recurred with the returning seasons. Each separate village was for the most part independent of its neighbours, and supplied its own simple wants. A notable exception consisted of salt, needed for preserving meat for winter consumption in an age when the cattle must be killed, or starve, for lack of winter feed. The demand for this commodity might cause intercourse with strangers coming from the outside world, and the beginnings at least of markets seem to have arisen. But the means of communication were difficult, and were not abundant. The times were continually disturbed, and no sooner did a settlement of the country, or of some large portion of it, approach completeness, than a fresh quarrel or new invasion caused a repetition of the old turmoil. The mining, which had flourished under the Roman rule, declined; the towns were overthrown, and fell into ruin and decay, and the trade which the Romans had fostered dwindled to comparative insignificance. Some amount of coined money appears to have existed, at any rate in later times, but it was not adequate for its purpose, and any comprehensive judgment of the Saxon period must pronounce that little economic movement was apparent.

10. The incursions of the Danes stimulated fresh activity.

During the last two or three centuries before the Norman Conquest the invasions of the Danes added a new disturbance, but they also stirred the stagnant waters. The Danes were an enterprising people, whose

voyages took them to great distances from their own homes. They stimulated foreign commerce, for they were engaged in trading relations with the East. English merchants had before found their way to some of the great Continental fairs, but the arrival of the Danes was followed by the growth of a more adventurous spirit.

To resist their incursions Alfred built new ships, 897 reviving the affection for the sea, which, powerful among his subjects once, had afterwards declined.

His example was followed by his successors. Its natural consequence was a development of foreign trade, and, as in earlier times, the metals were exported.

## II They led to the growth of towns

A further effect of the Danish invasions was the new growth of towns. These originated from various causes, and in some cases centred round the monasteries, which encouraged artistic industry in the shape of metal-work and gold embroidery. Such articles of refinement made their way abroad, and a systematic traffic in slaves also existed. But, in spite of the stimulus applied by the Danes, the general character of the whole period was unprogressive. The economic historian may justly declare that when the Roman occupation ended the hands on the clock of progress were violently thrust backwards, and that during the succeeding six centuries of the Anglo-Saxon dominion they moved but a little forward, without recovering their old position. q.

## CHAPTER III.

### THE NORMAN CONQUEST, AND AFTER.

*(From William I. to Edward I.)*

#### AGRICULTURE AND THE COUNTRY.—THE MANORIAL SYSTEM

##### I. At the time of the Norman Conquest agriculture was the most important industry.

Agriculture has often been described as the oldest and most important English industry. Whether the latter epithet is or is not now appropriate, of the truth of the former there can be no doubt. "Till nearly the end of the fourteenth century," Professor Ashley remarks, in his "Economic History,"\* "England was a purely agricultural country. Such manufactures as it possessed were entirely for consumption within the land, and for goods of the finer qualities it was dependent on importation from abroad. The only articles of export were the raw products of the country, and of these by far the most important was the agricultural product, wool. To understand, therefore, the life of rural England during this period is," he continues, "to understand nine-tenths of its economic activity." In the present chapter we shall attempt to gain some acquaintance with the main features of English rural life at the Norman Conquest

\* Book 1, chap. 1, § 1

We may find much that is still uncertain, and it is not easy or possible to escape a conflict of opinion. But here, as elsewhere, controversy has at least prompted a search for new material and enforced a scrutiny of the old, and if sometimes this process may have seemed to deepen obscurity, at others it has shed fresh light.

## 2 An inquiry into its conditions is not free from difficulty

In the Saxon age, we have noted, the great bulk of the population lived in villages, and was occupied in agriculture. During a portion, at any rate, of that long period influences were at work tending to produce a certain type of rural society. Its particular characteristics might vary at different times and in different places. Here one special feature might appear peculiarly prominent, and there another, while in a third district a distinct type might seem to prevail. At one time and place we may, as we think, actually discern unmistakable signs of the influences at work, at another we may be driven to infer their existence from more or less trustworthy indications. In this, as in some similar cases, later research points to the conclusion that we must not suppose that one uniform type, starting from a single origin, developed on identical lines in one direction until a single final form was simultaneously reached. We must rather admit the likelihood of differences of origin and of varieties of development. The forces brought into play by the Norman Conquest may have been so powerful as to hasten tendencies in a particular direction, and to compress material, willing or unwilling, into a special mould. Of this we may feel tolerably certain, but it is tempting to penetrate to an earlier period, and to infer the existence and operation of

causes which must of necessity be unknown. Here our position grows less secure, as Professor Maitland has shown in his "Domesday Book and Beyond" \* "A result," he remarks, "is given to us; the problem is to find cause and process." The manorial system, in fact, as it existed in later times, must supply the chief material for any conception we may frame of its earlier forms, and the dangers of this method are neither small nor few; for we are liable to read into the past what may have been true only of the present.

3. It was pursued under the manorial system. The plough-land was worked on the "three-field system."

With this caution, then, let us study the manorial system in its developed form. The land around each village was composed of three main varieties—of arable or plough land, of meadow or pasture, and of waste and woodland. The arable was generally worked on the "three-field" system. It was divided into three fields, one of which was sown for wheat, a second was appropriated to barley or oats or beans, and the third lay fallow. The field, which had one year yielded its crop of wheat, sown in the previous autumn, would be planted in the following spring for barley or oats or beans, and after the harvest would lie fallow until, in the autumn of the next year, the round would begin again. Centuries later roots for winter feed took their place in a four-course rotation; but the three-field system itself was an improvement on the more primitive and earlier methods of a two-field† or a one-field course. Writers who have sought a Roman origin for the manorial system point to

\* Preface, p. v.

† This was also common in medieval England, one field lay fallow every year.

the circumstance that in their former homes the Anglo-Saxons followed a one-field course, sometimes called "wild-field-grass-husbandry" Under this fresh tracts of land were continually taken and ploughed and cropped year after year, and, when exhausted, allowed to fall back into pasture. No acquaintance, it seems, was shown with the mode of testing and refreshing the soil by giving it a change of crops, and on their arrival in their new country the Saxons may have found in existence, as a relic of the Roman period, the more advanced system of "intensive" agriculture which they adopted with other parts of the Roman organisation.

4 These fields were subdivided into small strips, securing substantial equality between the different individual holders.

The large aitable fields, however, were subdivided into separate strips, parted from one another by turf-mounds or "balks," and an individual holding was made up of several scattered strips. This arrangement, cumbrous as it might seem, continued to be a feature of rural economy for many centuries, and signs of it may still be detected in parts of the country where the separating mounds or balks remain. It is reasonable to suppose that it was intended to secure that equality of advantage between different holders which would be the cherished aim of a society of free men. It may be added that it harmonises with the conception of an earlier period, whether real or imagined, when a fresh allotment of the holdings may have taken place at stated intervals, and the occupation of each successive holder was not yet permanent. Such a system itself might be regarded as an advance on that of a period, even more remote and misty, when individual occupation may have been

unknown. At any rate, with separate tenure frequent re-allotment would afford a chance for all, and with permanent occupation a similar aim might be secured by giving to each individual several scattered strips in different portions of the three fields. Each man would thus obtain a rough equality of the advantage or disadvantage arising from the varying nature of the soil and the different shape and position of the plot. The possession by every villager of such a strip in each of the three fields made it possible to combine individual tenure with that co-operation in actual tillage which the conditions of the times required. It was possible that each of the fields throughout its area should take its place in the recognised rotation of crops without injuring the interests of the separate occupants, for they possessed some land in each division. In an age, when the oxen of a single villager were few in number or were borrowed for the time from a more wealthy neighbour, it was only by combining resources that the difficulties of cultivation were overcome. The system of scattered strips reconciled common tillage with individual tenure. It produced a rough equality of advantage. It satisfied the natural desires and inherited traditions of a society of free men.

5. This arrangement points to a free rather than servile origin.

But it would hardly commend itself to the master of dependent serfs, who, by the exercise of despotic control, could fashion society on a model of which he approved. Such was the Roman, with his dependants and slaves, and such the Anglo-Saxon would have been had he, succeeding the Roman, retained the essential details of the

\* An equivalence in quality, rather than in precise quantity, seems to have been specially sought.

organisation ruled by his predecessor. In that case he might have kept in immediate servitude a mass, either of Celts, or of other dependants, possibly brought by the Romans to Britain from different parts of their vast empire, possibly belonging to races surviving in the country itself from times before the Celts. He might have found them in this servile condition on his arrival, and he might have swelled their number by serfs brought with him from his own country. It is certainly true that the disappearance of Roman civilisation from Britain did not imply the departure or extermination of the humble inhabitants of the country. It is possible that survivals of the Roman system, with its *villa*, its ruling noble or official, its dependent *coloni* and slaves, escaped the overthrow and lingered on. It may also be argued that the system impressed itself so deeply on the minds and manners of the mass of the humbler inhabitants, whom the Romans kept in servitude, that their fresh Anglo-Saxon conquerors were compelled, even if they were unwilling, to preserve and adopt the old rather than introduce the new. Some inquirers have even hinted that the Romans themselves may have accepted a model which they found existing among the original Celts, and transferred it as confirmed tradition to their Anglo-Saxon successors.

#### 6 The other view is open to objections

Against such theories opposing arguments have been advanced. The overthrow of the Roman civilisation, if it was not complete, was certainly more universal in Britain than it was on the Continent of Europe. The disappearance of the Latin language is significant. No less important is the fact that Christianity seems also to have vanished, and some centuries later to be introduced

aflesh. A similar absence of Celtic words is more in accordance with the view that, driven from their homes, the Celts took refuge in the remote districts of the country, than with that which represents them living in subjection to the Anglo-Saxons, under new masters and an old system. It is supported by the fact that in those western parts of England, where the most distinct and abundant traces of Celtic influence are found later, rural society was composed apparently of small scattered hamlets, and not of those larger consolidated village groups which formed the units of the manorial arrangement, and seem to be an essential Saxon institution.

#### 7. But at the Norman Conquest the villagers were dependent on a lord

Yet it is not questioned that at the Norman Conquest the majority of villagers were in subjection to a superior, to whom they were bound to render services of a more or less burdensome character. This is the manorial system as it is usually defined It has been traced some distance into the Saxon period, and investigators have even found its characteristics, as they maintain, at no long interval after the Anglo-Saxon Conquest.

#### 8. The village land consisted of his "demesne,"<sup>de</sup> and their subordinate holdings

Under such a system the land was divided between the *demesne* of the lord and the various holdings of his subordinates. The *demesne* might form a separate whole, or it might more probably be composed of a number of strips scattered, like those of the villagers generally, in different parts of the three arable fields. It might consist at the same moment of both varieties, or in course of time one might take the place of the other,

and the demesne become consolidated. With the meadow land it was apparently the case that such meadows by the river-side often belonged to the lord's demesne, and the other meadows would be held in different portions, settled by lot, or custom, or rotation, by different holders (including, it might be, the lord among the number). Beyond the meadows would be the waste and woodland. On the former the villagers would have privileges of pasture and of cutting turf, and on the latter rights of gathering wood. On the permanent pasture of the waste the number of cattle belonging to each villager, which were allowed to graze, was sometimes limited, and sometimes no such restriction or "stint" was made. At a later period\* the encroachments of the lord were expressly permitted, with the condition that he should leave enough to satisfy these rights of pasture. On the arable fields, when the corn had been cut, and on the village meadows when the hay had been harvested, common rights of pasture were also exercised, and the term "Lammas Fields" survives to show how Lammas Day marked the time when the harvests had been gathered and the ground was opened for this purpose. In the village the lord's mansion would be surrounded by a close or closes belonging to the demesne, and some of the more important villagers would possess round their dwellings, or even away from them, closes of humbler size. The dimensions would diminish as the rank of the villager descended in the social scale.

9 They belonged to different classes.

The greater number of the dependent villagers consisted of the villani, each of whom occupied what was

\* By the Statute of Merton

known as a *virgate*\* of land, or about that quantity. In modern language this might correspond to some thirty acres; and beneath the *villani* were the *borderii*,† or *cotarii*, with then small holdings of five acres,‡ or less, dwelling in cottages, while the *villani* could boast of the possession of houses, and sometimes owning not so much as the whole of a single plough to set against the ox or team of oxen which the *villani* might command. Beneath the *borderii* and *cotarii*, again, there were, at the time of the Norman Conquest, actual *serui*, or slaves, but they lasted as a separate class for not more than a century, and were merged in the section above them. They were found in larger numbers towards those western districts where the Celts survived, and probably they represented the original inhabitants whom the Anglo-Saxons kept in immediate personal subjection. In the eastern districts we find another class predominant. These were above the *villani* in station, as the slaves were below the *cotarii*. They were the *socmanni*, the *liberi homines*, or *libere tenentes*. They were the free men. They were bound, like the *villani*, to render certain services to their lord, but the services were less burdensome, and their position was one of greater dignity and independence. The *socmanni* afterwards gave the technical legal title to freehold tenure of land without obligation of military service—to “free and common socage,” as it was called. But there are reasons for thinking that a liability to such service,

\* A *virgate* was the fourth part of a *hide*. This was a unit for purposes of assessment. It might vary in quantity, but it corresponded, apparently, to the amount of land which might be worked by a plough with a team of eight oxen.

† The *borderii*, as a separate name, disappeared from England.

‡ These, perhaps, generally surrounded their cottages, and were not in the open fields.

resting on them personally, may at one time have been the mark of their enjoyment of a standing higher than that of the *villani*. Their greater number in the eastern counties points to the likelihood that they consisted, to a large extent, of Danes, for members of that warlike race, while ready to own some dependence to a chief, might not be willing to place themselves in such subjection as that in which the *villani* stood to an Anglo-Saxon superior.

10 The majority, consisting of "villeins," were partly free and partly not free

The villeins then (including in the more general term the *cotarii* as well as the *villani* proper) occupied a position between the slaves and the free men. To some extent they were free, and to some extent they were not. They might in some cases be even personally unfree, in others they might be free persons, holding land by a base of servile tenure, to which disabling liabilities attached. Like the socmen, they were bound to render services to their lord, and their obligations were generally more burdensome. Like the socmen also, when these duties were discharged, they were secured, by custom at least, though their tenure might technically be "precarious" in the continued occupation of their holdings and the enjoyment of the produce. That both classes were subjected, or liable, to more or less restriction in quitting their position did not necessarily imply a loss of freedom felt seriously at all times by men who, as a rule, perhaps, did not desire to remove. That dependence, and even subjection, in the eyes of the law might prove compatible with an amount of economic liberty is a consideration in any judgment we may form of their position. The different classes of the subordinate

tenants were shaded, in fact, into one another by fine divisions; and even villeins seem, at any rate at one time, to have possessed some customary rights against their lords which were an obligation, and might prove a burden.\*

## II. Their original state is doubtful

Whether they were originally serfs, and had by degrees obtained a measure of freedom, or whether, originally free, they had in various ways and for different reasons agreed or been compelled to surrender a small or great part of their freedom, is a disputed question. If with those who, like Mr. Seebohm in his 'English Village Community,' seek a Roman origin for the manor, we adopt the former view, we have to explain the existence of free tenants, especially in the villages of those eastern counties which comprised an important quarter of the country, whether measured by area or estimated by population or by wealth. In those villages a large number of free holders have been discovered, and it is reasonable to suppose that here the Danes may have checked a process operating more decisively elsewhere. In these villages, in fact, we may find traces of earlier stages of development. The constitution and proceedings of the manorial courts, especially those accompanying the *surrender* and *admittance* of tenants, point, it has been urged,† in the same direction of original freedom. If we accept the other view, we have to illustrate the manner in which men originally free might become dependent on a lord. It might be that

\* *E.g.*, prescribing "when and how he is to feed them", as, for example, on "boon-days" (see below). Cf. Vinogradoff, "Villainage in England," p. 174.

† Cf. Vinogradoff, "Villainage in England," Part II, chap. v

grants of land by the king, first to religious houses and then to favoured nobles, might carry with them as bestowed or as possible of exercising an authority of administering and controlling justice, of enforcing or regulating military or other service, or of levying revenue, which tended to depress the villagers. Such influences seem to have been at work in Saxon times, and similar forces acting from below may have contributed. From a variety of circumstances one villager may have become more powerful and more conspicuous, and his humble, weaker neighbours, "commanding" themselves to his protection, and agreeing to render him certain "customary" services, may have taken a position of dependence more or less acknowledged. The further back the evidence is pushed for the existence of the manorial system, with its essential characteristics, the less time is allowed for causes such as these to have accomplished their appropriate effects. The more likely it becomes that a servile origin of the villeins must be sought in the conditions of Roman, or even of earlier, society. Neither view is free from difficulty, both rest largely on conjecture.

12 Their services were divided into "week-work" and "boon-work."

But, whatever was their original condition, villeins and *socmen* were subject to certain disabilities, and bound to render certain services. The disabilities might take the form of the "meilchet," or fine, paid on the marriage of a daughter by some villeins and *socmen*, or the "homot," consisting generally of the best beast, given by the heir to property held by base or military tenure. The services were for the most part discharged by labour on the lord's demesne. This labour might be

"week-work," or it might be "boon-work," and the superiority of the serfs was partly shown by their avoidance of the first of these varieties. The "week-work," as the name implies, was rendered for certain days in every week throughout the year. The "boon-work" was performed at special times of peculiar need, which might arise when the land was being ploughed, when the hay was being cut, or the corn was being harvested.

### 13 Officials were needed to supervise.

The discharge of these services would prove most burdensome to the villagers at the time when they were most useful, or necessary, to the lord. They might wish to be working on their individual holdings when he demanded their labour on his demesne; and, if the demesne were mingled with their strips and therefore near at hand, the temptation to follow their own interests and neglect those of their lord would not be less attractive. The superintendence, then, of certain officials was required to satisfy the condition that the villagers should render the lord his rightful due. They themselves generally elected from their number a *prost*, or *reeve*, who was bound to serve, if chosen. He was responsible for the performance of their stipulated labour, and in primitive fashion kept a record. The lord, on his side, was represented by a *bailiff*, who attended to the demesne, and saw that the work done corresponded in amount and quality to that which ought to have been rendered. A further official superior to him was the *scenschal*, or *steward*, to whom was given the supervision of several manors where the lord owned more than one. He paid his visits of inspection at intervals, and the bailiff resided on the spot.

14 Some manors belonged to the King, who was at the head of the feudal system.

A single lord might possess more than one manor. He might live elsewhere, and make a progress from time to time, visiting in succession his different manors. Among the owners of manors the King himself was numbered, and the royal progresses on which he went throughout the country enabled him to inspect his property, and thus review the source of no small portion of his revenue. Under the Normans society was organised on the *feudal system*, and for some time previously under the Anglo-Saxons such a system was apparently developing. From the King at the apex to the villeins at the base of the social pyramid a relation was finally established of dependence on a superior, to whom his immediate inferior was bound to render certain services as the condition of tenure of land. The possession of the land and the exercise of the rights of that superior were, in their turn, subject to the performance of services to a further superior. The Anglo-Saxon Kings had then *thegns*, and the *thegns* had then dependants, apparently both free and not free. A still earlier division of society was that between the *cooks* and the *cheoks*. The Norman Conquest might seem to confirm a type which it found developing, rather than create a new social organism. It might hasten the action of tendencies already working. It might compel them to follow a particular direction with more rapidity. The slaves disappeared in the space of a century. The legal authority of lords over villeins was given sterner and more emphatic significance. The military character of the feudal tie between the lords, with their dependants, and the King was brought into greater prominence. The centralising

power of the monarchy increased with its more active exercise. But, while such changes are tolerably certain, it is not easy to fix exactly the resemblance borne by the Norman manor to its concomitant in earlier times.

15 Our information is obtained for the most part from the *Domesday Survey*.

Nor is the difficulty lessened by the nature of the document which furnishes the greater portion of the evidence on the manor as then established. 1086 The *Domesday Survey*, ordered by the Conqueror, contains information of high interest. But it was made for a definite object. An historian has remarked\* that "of the three sons" of William I. "each inherited some one of his special gifts" "Robert had his spirit of adventure, William his prowess as a soldier, and Henry his statesmanship." The last quality was that which prompted the preparation of the Survey. The King was anxious to know the capacities of the country for the payment of that *Dane-geld* which formed the chief source of extraordinary revenue. Originally, as its name implies, it had been the tribute tendered to Danish invaders, and had then become a war-tax occasionally levied. A survey was now to be made of the different manors of the country. The size of each manor, the name of its lord in the time of Edward the Confessor and that of William himself, the numbers of the various classes of tenants and dependants, the amount of meadow and of woodland, and the stock of animals were to be duly ascertained. The account was also to contain a statement of the geld actually then paid, and an estimate of the value of the manor. This was evidently

\* Mr. Goldwin Smith in "The United Kingdom a Political History," p. 58

ordered with some reference to the possibilities of an increase in the payment by developing the resources of the manor. The survey does not include some six counties, mostly situated in the north, which were then of no great importance, and it furnishes fuller information for some districts than it does for others. Some of the returns, as Mr. Round has suggested in his "Feudal England," may be preserved in a final, approved shape, while others may represent an earlier, imperfect stage.

#### 16 It was prepared for a particular object

It is probable that one chief object, which the King\* intended to secure by means of the information thus obtained, was a reassessment of the different manors. It was here that his instinct for just and prudent statesmanship was shown. The assessment in some cases no doubt was to be increased, and in others to be diminished. By such a process the burden of a geld greater in total amount might be borne more easily, for it would be distributed with greater equity. At any rate, it is in the light of immediate reference to the payment of the geld that we must read and interpret the Domesday Survey. It may take account only of distinctions necessary or important for its purpose, and neglect others of no less interest or significance for the historian. It may appear to employ particular terms in a rigid special sense, and yet they may be loosely used, and conceal important differences beneath apparent similarity. The Survey, in fine, was prepared for an immediate practical object, it was not designed to give a full account of the economic condition of the country, or the minute details of the organisation of society.

\* William himself died in the year following the Survey.

17 This must be borne in view in interpreting the terms employed

It is, for example, possible that the term "villein" employed in the Survey refers to a large class composed of various individuals enjoying different amounts of freedom, and subject to the discharge of services of diverse character and burden. Professor Maitland<sup>\*</sup> is inclined to hold that it may be interpreted most safely as meaning any individual for the payment of whose geld the lord himself was directly responsible. Similarly the term *manor* applied in Domesday to organisations which do not correspond exactly with the general notion now entertained of the manorial system, and covering cases where there was no demesne, or where free men were the only tenants, might imply strictly that from which geld was levied. The *seruientes*, again, might be those persons whose geld was included with that of the lord, though he was not directly responsible for its payment. It is especially hard to fix their status with precision. That some differences prevailed between them and the *libere tenentes* is probable, if it is not certain, but the distinction is obscure, and the precise degree of their dependence on the lord is, like its origin, not easy to establish. They seem sometimes to have had subordinates dependent on themselves, and their own dependence, such as it was, appears to have arisen in various ways and taken different forms.

18 The manorial system was liable to changes.

From the history of the manorial system after the Norman Conquest two significant facts stand out. One is that in spite of a decline in the legal standing of the

\* "Domesday and Beyond," Essay I.

villein,\* which the training and traditions of the Norman lawyers would combine with the natural disposition of the Norman nobles to produce, his economic status steadily advanced, and the number of free tenants grew. Even the legal theory regarding the villein as dependent on the arbitrary will of the lord admitted exceptions, which qualified the general doctrine, and point in the direction of previous freedom and of the possession of customary rights. The other significant fact connected with the first was the growing tendency to substitute money payments for services in actual labour. Free tenants might, for example, cultivate land taken from the waste, or parts of the lord's demesne, which he could not with convenience till, or perhaps odd portions of the open fields which did not fit into the ordinary holdings. In such cases they seem to have made a money payment in lieu of some service more or less burdensome in character. Some free tenants, again, subject originally to "boon-work," appear to have commuted it for money. Others, without gaining this amount of freedom, might still be liable to boon-work, but in the main might pay sums of money for the land they held. They might possibly be descendants of villeins who had risen a degree in the social scale. Various groups arose between the free and the servile tenants. Such were "molmen," "censuarii," or "gavelmanni." They, or at least some of them number, may always have paid a rent in money or in kind †. Even the villein, who remained in a servile condition, might commute part of his services. Some money payments can be traced to a period before the Norman Conquest, and from that time they steadily

\* Cf. "Villainage in England," Part I, chap. iv.

† *Ibid.*, p. 188, etc.

encroached on the practice of forced labour. The villein, continuing to be liable to "boon-work," might yet make a money-payment in place of "week-work." The former was given at seasons when the need for additional hands was specially urgent. The lord might, therefore, accept commutation for "week-work," if he could fill the place of the villeins by hired labourers, recruited, as time advanced, from men possessing little or no land. But, although his demands for the services of the villeins would grow less as he let to freemen parts of his demesne, or hired labourers to help him, he would probably be less ready to dispense with "boon-work" than with "week-work."

#### 19. These were accomplished gradually.

Such changes were gradual, and became conspicuous in the course of two or three centuries. In some instances and places they were more marked and rapid than in others, and on the royal demesne they seem to have been accomplished at an earlier period. In this, as in other ways, it was better to hold under the King than under his nobles. But, although even on the royal manors the movement was steady rather than quick, its drift could hardly be mistaken. The self-sufficing village, with the lord as superior, occupying his demesne, or visiting it at more or less lengthy intervals; with the parson cultivating his glebe and receiving his tithe, and conducting services in that village church which was the common place of meeting, and might on occasion be used for purposes of a very secular nature; with the necessary simple craftsmen, the village carpenter and the blacksmith, sometimes doing their work in return for the holding of land, and sometimes supplying the needs of more than a single village; with the officials of

the lord—the reeve, the bailiff and the steward—superintending the management of the estate, with the various classes of dependants, the socmen and the villeins, rendering their services, weekly or at recurring seasons, in ploughing or sowing or reaping or carting, and making other payments in kind, such as honey or malt, or in cash, and grinding their corn perforce at the village mill—this rural society, permanent as it might seem, and free from disturbance from without or commotion from within, was not exempt from the slow, inevitable influence of forces working steadily for change. In a later chapter we shall note some of their effects

#### NOTE —*The Domesday Survey*

Mr. Townsend Warner, in his "Landmarks in English Industrial History," chap. II, gives the following translation of two typical extracts from the *Domesday Survey*

1 "The land of the Canons of St. Paul in Essex, and the Hundred of Hinckford St. Paul held Belchamp in the time of King Edward for a Manor and five hides. There were always two plough-teams in the demesne, and twelve plough-teams of the tenants, 24 villeins, 10 bordars, 5 serfs. There is a wood there for 60 hogs, 30 acres of meadow, 9 animals, 2 load-hoises, 40 hogs, 100 sheep, 5 goats. It was always worth £16."

2. "King William holds in his demesne Chideminstre. This Manor was all waste. In the demesne there is one plough-team and twenty villeins and thirty bordars with eighteen plough-teams, and twenty plough-teams more could be there. There are two serfs and four bond-women, and two mills of the value of sixteen shillings,

and two salt-pans of the value of thirty shillings, and a fishpond of the value of one hundred pence. There is a wood of four miles. The whole Manor in the time of King Edward paid fourteen pounds for ferm, now it pays ten pounds four shillings by weight.'

## CHAPTER IV.

### THE NORMAN CONQUEST AND AFTER.

*(From William I to Edward I)*

COMMERCE AND INDUSTRY, AND THE TOWNS—THE INFLUENCE OF THE KINGS—THE RISE OF THE GILDS

I The reign of Edward I. marks the close of a period of national formation

“With the reign of Edward,” remarks Green in his “Short History of the English People,”\* “begins ‘the England in which we live’” “From the earliest moment of his reign Edward the First definitely abandoned all dreams of recovering the foreign dominions of his race, to concentrate himself on the administration and good government of Britain itself. We can only faintly judge his annexation of Wales, or his attempt to annex Scotland, if we regard them as parts of the same scheme of national administration to which we owe his final establishment of our judicature, our legislation, our Parliament. The King’s English policy, like his English name, are the signs of a new epoch.” The long period of national formation has come practically to an end.” What is stated in these words of the political importance of the reign of Edward is also true of its

\* Chapter IV, sec II

economic interest. That reign, as we shall see in the following chapter, marks an epoch when in the "ordinary business of life," as influenced by the action of the Government, broader views supplanted narrower interests. In the present chapter we shall study the economic institutions and the movements of the previous period of "national formation" which led to these important changes.

2 Villages and towns were mostly isolated, independent units.

We have examined, with such evidence as might be forthcoming, that manorial system which governed the affairs of rural society, guiding such activity as prevailed in agricultural industry. We may now turn our attention to the towns, and form some idea of the origin, character, and action of institutions which became important as the towns rose in prominence. As in the recurring work of agriculture, so in the exchange of those agricultural products which for long furnished the chief material for business in such trading centres as gained a recognised position, the prevailing note was that of confirmed routine. A permanence begotten of unaltering custom and traditional established privilege was attached to the conditions of life within the towns, where it seemed no less natural or necessary than it did in the villages among which they emerged. The lapse of three centuries did not fail to bring changes of importance to the classes of which rural society consisted, but the separate villages were for a long time self-sufficing. To a great extent they were independent of any need for more than occasional communication with the world outside, for in each case the villagers themselves supplied most of their simple wants. In the

same way we shall notice that the inhabitant of one town seems to have been regarded and treated by that of another as being no less a foreigner than if he had come across the seas. In economic life the unit of importance to the mass of the people did not cease to be their village or their town, and the views and interests of most inhabitants rarely passed beyond these narrow boundaries. But with the reign of Edward I, a national organisation of economic affairs was contemplated by the sovereign. An economic policy was consciously and vigorously directed to securing national aims.

### 3 The influence of the King was powerful

From the Norman Conquest onwards the monarchy was an influential factor in economic matters. The

Conqueror had indeed to earn his title, 1066-1087 and the reign of Stephen was a period of 1135-1154 long disturbance, due to the weakness of the Crown. But William himself was remembered for the peace he made, "so that a man might fare over his realm with a bosom full of gold", and the reigns of the first two Henrys were epochs of vigorous administration, which at once strengthened the Monarchy, and tended to unite into one nation the Norman and the English race. It needs no profound acquaintance with economic principles to see that the maintenance of order by a firm hand was a condition of

progress, and neither to the "Lion of 1100-1135 Justice," as the first Henry was sometimes 1154-1189 called, nor to his grandson, the founder of the Plantagenets, Henry II, would the candid critic deny the possession of a resolute will or the exercise of administrative capacity. Both were statesmen of ability gifted with an instinct of orderly govern-

ment. The continuous absence of Richard Cœur de Lion from his English dominions did not prove unfavourable to the economic activity of 1189-1199 the towns, for the same motive, which took him on Crusades, begat a readiness to grant charters in return for the funds for his expeditions. His example was copied by his followers, who, to satisfy their urgent wants, were willing to surrender the manorial rights, which they possessed over the liberties of the townsmen. To some extent the Crusades seem to have stimulated foreign trade, though they may also have checked it by the warfare which they caused, and by a refusal to have dealings with the infidel. Yet they may have contributed to open traffic to the East At any rate, the connection of the Norman Kings generally with their Continental dominions, if it distracted their attention from the affairs of their new kingdom, paved the way for intercourse between their English subjects 1215 and foreign traders In the clauses of Magna Causa, the most enduring memorial of the reign of John, some indications may be found, not only of the growing independence of the 1199-1216 towns, but also of the increasing influence of merchants and of traders The thirteenth century saw, in addition, the rise of craftsmen into distinctive prominence Economic progress thus reached a new and important stage. A development, which started from conditions where those engaged in agriculture supplied in the moments given to a second occupation such simple wants as they then felt and advanced with the lapse of time until the growth of fresh desires and provision for meeting them created a demand for the services of merchant traders, entered now on a fresh phase Crafts

and industries arose, distinct alike from agriculture and from the business of dealing in its products. With this new development the thirteenth century, 1216-1272 over a great part of which the long reign of Henry III stretched, largely coincided

#### 4 The Norman Conquest brought important changes

The close connection of the King with the economic life of the nation may be seen in more than one department of affairs. In his essay on the "Coal Question" \* Jevons observed that "almost all the arts we practised in England until within the last century were of Continental origin," and we shall have occasion in later chapters to notice the influence thus exerted at different times on different industries by foreign immigrants. In the period with which we are now dealing a connection has been sought between the rise of the early craftsmen and the protection often given to them by the Crown in a theory that they were largely of foreign origin. In any event, the Norman Conquest itself may be regarded from one standpoint as a conspicuous example of foreign immigration †. For some time before the actual Conquest, apparently, Normans found their way into the country, and Freeman ‡ has written of the reign of Edward the Confessor, in the middle of the eleventh century, as a "period of struggle between 1042-1065 natives and foreigners for dominion in England." At the Conquest they came in greater numbers. It is true that in some respects, as we have seen, they assumed the control of an

\* Page 69

† Cf Dr Cunningham, "Alien Immigrants in England," chap 1

‡ "Norman Conquest," vol 11, p 80, quoted by Dr Cunningham. An English reaction followed.

organisation already established, and merely hastened certain tendencies in a particular direction. It is also true that the efforts of far-sighted kings, such as the two first Henrys, were continually directed, with success, to the union of the English and Norman races in one nation. The Conquest was none the less a great reality. If feudalism, or some of its characteristics, were already in existence, the policy of the Conqueror and his successors introduced important changes. They emphasised the military side. They aimed expressly at the exaltation of their own authority by dispersing the possessions and diminishing the powers of the nobles. They sought to establish a closer tie between the subordinate tenants and the monarch at the head, and in this they were generally successful, although struggles with the barons were the conspicuous incidents of different reigns.

### 5 Various immigrants came to England.

Now were the Norman nobles thus placed, with powers more strictly limited, in the possession of manors controlled previously by Anglo-Saxons the only immigrants. Whether the lesser tenants and actual cultivators were or were not to any large extent recruited from the ranks of Normans may perhaps be doubted. It is more certain that the many castles, in some cases marking the destruction, in others menacing the liberty, of the towns, and the ecclesiastical architecture, which arose in that Norman style of which parallel survivals are found in Normandy itself, were built by the hands or under the superintendence of Norman masons. It is possible that various bodies of early craftsmen may have been alien immigrants to whom the kings extended their protection. It cannot be questioned that privileges were granted by

different kings at different times to foreign merchants. Even in the Saxon age the "men of the Emperor," as they were called, seem to have secured some such position. Before the reign of Edward the "Steelyard," in which foreign German traders lived, like a garrison in a fortress, had become important. The merchants, who formed the privileged "Hanse of London," came first from the Netherlands and from Fiance. They were destined to be overshadowed by the Teutonic Hanse, to which the merchants dwelling in the "Steelyard" belonged. The members of this came from the towns of the Hanseatic League, which won such fame and power in European trade. But immigrants like these were rather visitors, whose business often brought them to the country, than residents seeking a fixed abode.

#### 6 The Jews occupied a special position <

The Jews were in a different plight. They were under the protection of the King, for this was then guarantee from popular assault. They were the King's "chattels." On his sufferance they depended for the unhindered conduct of their profitable but odious business of lending money, and of their gains, which were strictly his, he asked the share he pleased or was able to exact. They were unpopular, for they carried on a trade which conflicted with Christian principles. Money was then lent and borrowed not, as now, for the development of business, but to relieve distress or to meet emergency. The taking of usurious, or even of moderate interest, when the lender could not put his money to a profitable use by investing it in trading or industrial enterprise, and ought therefore to have been content to recover the principal alone, was repugnant to the doctrines of the Church. At a later period the growth of industry and commerce

supplied occasions of lucrative advantage for employing borrowed money to individuals able to protect themselves, and earlier, when the need arose, legal subtlety discovered means of meeting legal prohibitions. Even in the infancy, so to speak, of economic development, the Jews, like other usurers, such as the Causines (or men of Cahors), and, later, the Lombards, aided the achievement of some undertakings which seemed to be for the public interest. But an unpopularity naturally excited by the nature of their calling was not diminished by their adherence to their peculiar faith and the isolation in which they lived. In England they seem to have enjoyed kinder fortune than elsewhere, because the power of the King was more predominant, but the dislike of the people, never small, was increased by the outburst of religious fervour which was at once a cause and a consequence of the Crusades. From the reign of Richard I. they were expelled from city after city, and their usury was subject to strict regulation. By Edward I. 1290 they were even banished from the country, and the veto on their return was not formally withdrawn for upwards of three centuries.

#### 7. The King's revenues were derived from different sources: (i) As a feudal superior

They had previously supplied some amount of revenue. The King exacted payment for his protection. As Dr. Cunningham has remarked in his "Growth of English Industry and Commerce,"† the Jews thus "served the purpose of a sponge which sucked up the

\* They were often merchants, who collected the Papal revenues, made arrangements for transmitting them to Rome, and increased their gains by lending money.

† Vol. 1, book 11, chap. 11, § 70

resources of the subjects, and from which then wealth could be easily squeezed into the royal coffers." In nothing, perhaps, was the power of the Crown shown more plainly than in the collection of its various revenues. Of the landowners of the country, exercising rights of receiving services in kind and money from subordinates, the King was the most important. His manors and his forests yielded a revenue which called for personal attention on repeated "progresses," and the energy of such an active sovereign as Henry II was shown by the speed with which he made his presence felt in different districts of the country. Powers of jurisdiction brought additional revenue. Rights of compulsory purchase—both of provisions on journeys by "purveyance," as it was called, and of goods offered for sale by "puse," which seems the origin of the tolls received at ports, at markets, and at fairs—were among the grievances for which redress was sought and granted in Magna Carta, and the reign of Edward. A wise king did not exercise such rights without discretion. At first levied in kind, they were afterwards commuted into money. A similar commutation of the services rendered by subordinate tenants to their lords seems, as we saw, to have taken place on the royal demesne at an earlier time than that at which it was achieved elsewhere. Those military obligations to the sovereign, which the Norman Conquest, emphasising as feudal incidents, laid on tenants-in-chief and, more directly than before, on subordinate holders, were exchanged also for a money payment, under the name of scutage.\* Further occasional dues were rendered to the King, as to other feudal superiors, when his eldest son was knighted or

\* This enabled the formation of a professional army.

his eldest daughter married, or, as in the case of Richard I., he himself required to be ransomed. To these burdens must be added the *relief* paid on succession to property by tenants-in-chief, and the revenue derived both from the *wardship* of heirs and heiresses during their minority, and from the *marriage* of heiresses. *Leetwate* of minors, when heir, failed and *forfeitures*, when tenants rebelled, swelled the dimensions of the royal demesne.

### § 2 In his public capacity.

As the most important private individual in the realm, the King received such payments. In his public capacity he secured further revenue. The Danegeld, paid originally as tribute to the Danes, was collected by the Norman Kings at first on special occasions, and then as regular income. It lost apparently its peculiar name, but in its stead the Crown took what was known as *cancucage*. From places exempt from Danegeld\* the King demanded and accepted *tallage*. They were part of the sum usually paid by the towns. Henry II. introduced a new practice of taxing movables, and this, in the shape of taking a portion—it might be a fortieth, it might even be a fourth—of a man's possessions, was followed regularly by his successors, and finally superseded *gentage* and *tallage*.

### 9. The collection of these revenues needed an organised system.

A machinery was needed for the collection of these revenues, but they were seldom, if ever, raised together at one and the same time. One variety of tax would be taken one year, in another a different class of the community would be brought under contribution by a second

\* *E.g.*, belonging to the "ancient demesne" (see below, p 58).

or a third variety. The Court of the Exchequer\* seems to have been organised for the purpose in the reign of Henry I, although some similar institution or arrangement may have existed earlier. It was apparently re-organised by his grandson. It had various officials—a Chancellor, a Treasurer, and, at first, a Justiciar. Two important sessions were held in every year. At the first, at Easter, a payment was made by the sheriffs on account of the various revenues it was then duty to collect. At the second session, at Michaelmas, they accounted for the whole, and discharged the balance. In an age when mathematical ability was rare the reckoning of the ignorant was helped by visible lines or squares on an actual table and the use of counters. The eye thus supplied what the brain lacked; and in a similar fashion the receipt for the instalment took shape in the form of a notched rod, or “tally,” divided into two halves, one of which was kept by the sheriff and the other by the Exchequer. It is possible that these “tallies” belonged to an earlier stage of account-keeping, of which the “chequered” cloth on the table and the counters were a later mode, and that they formed a superfluous record of a calculation no longer preserved by such primitive means, but entered in a written document. They survived for many centuries. They were even used by the officials of the Exchequer so late as the nineteenth century, and were accumulated in

\* The Court is said to have been so called from the “chequered” cloth covering the table. It was described in the “Dialogus de Scaccario,” written by Richard, Bishop of London, in the reign of Henry II. The “Pipe Rolls” of the Exchequer, dating, in one instance, from the reign of Henry I, and extending with scarcely a break from Henry II to William IV, furnish information of great interest and value.

such great numbers that their destruction caused, it is said, the fire of the Houses of Parliament after they had ceased to serve a more honourable purpose.

10 Together with account-keeping on the manors, this shows a growth of money payments

On the separate manors also the steady growth of money payments in place of services required the keeping of accounts, and bailiffs' rolls were common about the middle of the thirteenth century. The *Extents* (or survey) of the manor, giving information on its condition, the *Inventory* adding to that particulars which, stated in the Domesday Survey of the eleventh century, were omitted from the *Extents* of the thirteenth, and the *Court Rolls*, or records of proceedings of the manorial courts, form a series of documents which illustrate the changes of manorial society. The commutation of services for money, to which they point, increased the need for improvements in the currency, and to this necessity of economic progress the more efficient kings, like Henry I. and Henry II., did not neglect to turn attention. The silver penny was the current coin \* But it was hard, if not impossible, to preserve the standard unimpaired at a time when several mints were necessary to distribute coin throughout the country, and the process of coining itself had not yet reached a perfection which would defeat the efforts of false coiners, or of those "clippers" and "sweaters" who removed good metal from the edge or sides of genuine coin. Yet Henry I. cut off the right hands of 1125 the "moneymen" who "had ruined this land with the great quantity of bad metal", and Henry II.

\* Henry III is stated to have introduced, without success, gold coins in 1257

alighted the abuses of independent minting to which the barons had recourse in the turbulent times of his predecessor. In the settlement of accounts with the officials current coins had been subject to some test of weight and fineness, but a public trial of the quality of those issued first took place in the reign of Henry III, although a previous attempt was made to reduce the number of types by calling in and replacing the various dies.

## 11 The Assize of Measures and the Assize of Bread illustrate the mediæval policy of the Crown

An endeavour to secure a uniform standard of weights and measures, by the *Assize of Measures*, in the 1197 reign of Richard I, harmonised with this policy 1202 The *Assize of Bread*, ordering a variation in the weight of the farthing loaf corresponding to the variation in the price of the quarter of wheat, was so far an extension of the policy, that it was based on an idea that the buyer must be preserved from fraudulent dealing by the seller, and know what he was purchasing. But it proceeded further. The modern conception that the buyer should look after himself may be appropriate to an age of competition, but it was repugnant to the mediæval mind. That, governed by established custom, and ready to obey authority, believed that a "just price" could be fixed by some standard, settled and enforced, which was not altering continually with the "higgling of the market."

## 12 The King's influence was also shown in connection with the growth of towns

In these various ways the power of the King was a factor in economic life. We have yet to notice another notable direction in which his influence was felt. This was the rise and growth of towns. Towards the close of

the Saxon period, under the stimulus given by the Danes, the towns began to revive from the destruction which fell upon them when the Romans left. The Norman Conquest did not, indeed, favour them immediately, for they suffered from the disturbed times, and from the erection of castles which were built in various places. But the Conquest, once accomplished, brought a twofold benefit. Internal peace was kept under a powerful ruler, and that intercourse was gained with the external world which resulted from a foreign connection. Trade developed under the control of strong, able sovereigns such as Henry I. and Henry II., and the towns, which were at the outset, perhaps, but larger villages, grew into centres of business. At first, no doubt, this took the form alone of the exchange of agricultural produce. Then the growing commerce with the Continent would bring foreign goods into the trading transactions of the merchants, and at last separate crafts and industries arose.

### 13. The towns sought liberty to manage their own affairs.

The towns, like the villages from which they emerged, were subject to the exercise of rights by the King, or by his nobles, or by powerful ecclesiastics.\* The inhabitants of the villages were obliged, under the manorial system, to render more or less burdensome services to their lord, to grind their corn at his mill, to feed their sheep in his fold, to pay his dues, and to obey the decisions of the manorial courts, which they were forced to attend. The inhabitants of the towns seem to have bought and sold

\* Mrs Green ("Town Life in the Fifteenth Century") traces a correspondence between the degree of difficulty attending the efforts of towns to gain their independence and the character of their superiors.

in their markets, in some respects under conditions which were similar. In certain instances there are reasons for doubting whether they passed through a manorial stage, and the divided exercise of privilege by different authorities might imply comparative freedom from the absolute control of one.\* In many, if not most, cases the lord might be the King himself, and the town would belong to the royal demesne. Tenants on the "ancient demesne," which, according to legal theory and practice, consisted of the manors of the Crown at the time of the Conquest, enjoyed certain privileges in which their brethren did not share, and these continued when the property passed to someone else. In any event, the authority of the King over some of the old county towns may never have reached the strictness of manorial rights, and he would surrender privileges more readily perhaps than a resident lord. Nor in those instances, where more than one lord possessed rights in different quarters of the same town, was it unlikely that conflicts of authority might occur, by which the townsmen might profit, opposing the strength which lay in union to the weakness which accompanied division. In this way, as a class, or at least in certain cases, they may have enjoyed a greater measure of liberty and of independence from manorial control. The Conquest may have found older towns in a condition which offered greater resistance to manorial authority, and it may have been more completely and easily exerted in the towns which afterwards arose.

\* Cf. Maitland, "Township and Borough," and also Pollock and Maitland's "History of English Law," (second edition). London seems to have developed on peculiar lines, and its model may have been French. Cf. J. H. Round, "The Commune of London."

14 They secured this in various ways and degrees.

But, where the inhabitants were bound to make a return in goods, or labour, or cash to a feudal superior for the tenure of the holdings on which they lived, or for their privileges of trading, they would, in the first instance, no doubt, if they could, substitute money payments for payments in kind or labour. This result achieved, they had won some independence, but they would not have gained all that they wished. They sought liberty to manage their own affairs. If the King were the lord, with him alone they dealt, whether they were concerned with what was due to him as their feudal superior, or with the payments made to him in his more general capacity as sovereign in common with his other subjects. They endeavoured to obtain the coveted important privilege of assessing themselves. They wished to contract for the collective discharge of the tallages which they might render. They desired to make themselves as a body responsible for the fixed "fima burgi," or fee-farm-ent, for which they sought to exchange these varying payments. They aimed at excluding from their internal affairs the King's sheriff and the lord's bailiff. Sometimes they were successful in gaining a charter. Sometimes they might have to wait for long before they achieved internal independence. They then became responsible as a body for their obligations, and they raised the necessary money by a house-rate levied by themselves on themselves. The rights and liberties of the burgesses of a "liber burgus," or free borough, thus belonged to those who, paying the rate, were, it was said, at "scot and lot" with their fellow-burgesses. From the time of the Conquest in

increasing numbers and in larger measure these cherished privileges were won, and the Crusades assisted, for they begat a willingness in King and noble to grant charters, or, at least, to make concessions, in return for needful cash.

### 15 The merchant gild was an important institution.

In this manner and degree the townsmen gained their liberty. They assessed themselves for the payment of the *feim*. They were secured in the enjoyment of their customs and their institutions. They were freed from various tolls. They elected their own officials. They were tried according to their own law in their own courts. Among the privileges thus obtained in less or greater measure by different towns at different times, that of controlling trade was not the least important, and the merchant gild, to which this duty was committed, fills a conspicuous place in economic history. The institution may have been an importation from abroad, brought to England with the Norman Conquest. It may have been an adaptation to a new important purpose of the old idea of strength derived from union. Such an idea was certainly embodied in religious gilds, and frith gilds, which in Saxon times provided for the joint performance of religious duties, or for the mutual preservation of desired peace. But it is believed that no distinct reference to the merchant gild can be discovered at an earlier date than the last ten years of the eleventh century. It is mentioned in various municipal charters of the reign of Henry I, and Dr Gross in his "Gild Merchant"\*\* has affirmed that "it may be safely stated that at least one-third—and probably a much greater proportion—of the

\* Vol 1, p 22

boroughs of England were endowed with "the institution "in the thirteenth century" In London and the Cinque Ports the name was apparently unknown, though the rights and privileges usually connected with it may have been enjoyed.

16 It controlled the trade monopoly in an exclusive spirit.

The clause establishing a merchant gild ran in many charters in the following terms.\* "We grant a Gild Merchant with a hanse and other customs belonging to the Gild so that no one who is not of the Gild may merchandise in the said town, except with the consent of the burgesses." The merchant gild thus received an exclusive right of trading. As Dr. Gross has said,† "The gild was the department of town administration, whose duty was to maintain and regulate the trade monopoly." For rights won by the burgesses by lucky opportunity or hard bargaining from king or lord were jealously preserved. The officials of the gild with the alderman at their head summoned its meetings, admitted its members on payment of the entrance fees, and managed its affairs. Strangers were not wholly excluded from trading in the town, but they were subjected to disabilities from which gildsmen were free. They had to pay tolls on the purchase or the sale of goods when gildsmen paid none, or, at least, were charged on a lower scale. They were not allowed to sell retail at any rate those goods which were the staple commodities of the place. They were forbidden to purchase some articles, which were either scarce or were the raw material of the manufactures of the town. Such merchandise as they might sell they must offer in a public place, where it was

\* Vol 1, p 8

† *Ibid*, p. 48

possible to exercise strict supervision, and they were not permitted to remain within the town for more than a certain time. Where, again, they were allowed to buy the gildsmen might enjoy the right of making a first offer. In victuals alone, in fact, was there free trade. Such restrictions were not indeed identical in every town, and were relaxed on occasions such as fairs or even in special instances on market-days. But the spirit animating them could not be mistaken. It was common to all. It was a desire to prevent intrusion.

17 But within the limits of the gild the regulations were more public-spirited.

While, however, the gilds were narrow and exclusive in their treatment of outsiders, within their limits more generous provisions were discovered. If a member had made a purchase at a certain price, at the same price his fellow-members were entitled to claim a portion of the goods which had been bought. If he were imprisoned in another district of the country, the officials of the gild themselves were to seek his release at the expense of his fellow-members. If he were ill, he was visited, if poor, he was relieved, and if dead, he was duly and honourably buried. Nor were the wider prerogatives, which the gilds assumed, of regulating trade and industry exercised without regard to fair and honest dealing. Bad quality and short weight were apparently forbidden equally with that speculation—that holding back to sell at a more favourable time, or that buying to sell again more advantageously in the same market—which was so pugnant to the mediæval mind.

18 Its precise relations to the town are obscure.

The gild, we have seen, may be described as a department of the town administration charged with the care

of trade. Its exact relation to the town, however, is not easy to discover. The gildsman was bound indeed to "be in scot and lot" with the burgesses, but this condition, Dr. Gross contends,\* might mean no more than participation in "assessments" "In other words, the gildsman was expected to render the authorities of the borough assistance, according to his means, whenever they wanted money." To repeat an expression with which we became familiar when we examined the manorial system, he was to be in "geld" with the burgesses. But the officials of the gild were not, it seems, identical with the officials of the town. Membership of the gild was apparently possessed by individuals who were not burgesses, and lived sometimes in neighbouring and sometimes in distant towns. There were burgesses, again, who were not gildsmen, just as there were persons living in the towns, like the Jews, who were neither members of the gild nor burgesses. With the lapse of time, indeed, the membership and government of the town and of the gild were more fully merged together, and by the fourteenth century at least such a tendency had developed. But at the outset, it seems, the merchant gilds were so far distinct from the body of the burgesses that the grant of a gild and that of a free town were separated in some charters, and in other cases gilds were found in towns which had not yet achieved independence of manorial control or gained those full privileges to which the burgesses aspired.

19. Its connection with the craft gild has been misunderstood.

If the relation of the merchant gilds to the towns is not free from difficulty, then connection with similar

\* Vol. 1, p. 54.

bodies among craftsmen, which came into existence,\* and rose into general prominence,† about a century later, is scarcely less uncertain. On the Continent, undoubtedly, a bitter struggle raged between merchants and craftsmen, which ended in the triumph of the latter. It has been suggested‡ that something similar may have occurred in England, that craftsmen, who became important as a class as industries arose distinct from agriculture, were excluded by merchants from the merchant gilds, formed rival associations of their own, and engaged in a contest for the control of the towns, in which they were eventually victorious. It is true that in Scotland some such conflict happened, but the circumstances of England, it has been urged, do not support the analogy it is sought to establish, and the evidence given for the theory admits of another interpretation. Here, as in the case of the manor, development may have followed more than one line of advance. "In the twelfth, thirteenth, and fourteenth centuries," Dr Gross maintains,§ "craftsmen" (generally speaking) "were freely admitted to the Gild Merchant." It is true that in certain places certain craftsmen, weavers and fullers, "did not enjoy the rights of full burgesses."|| "But," he continues, "it is far more rational to consider the restrictions upon these artisans as exceptional, being probably due to the circumstance that they were regarded as alien intruders, who were attempting to develop a comparatively new branch of industry." It is true also that at a later period, during the fourteenth

\* In the twelfth century

† In the thirteenth century

‡ By Professor Brentano, "Gilds and Trade Unions," IV.

§ "The Gild Merchant," vol 1 p 107

|| *Ibid.*, p 108

and fifteenth centuries, when for various reasons, of which the growth in population was the most obvious, the management of the town affairs had passed from the whole body of the burgesses to a small, select, exclusive section, the craft gilds in some places took a conspicuous part in the struggle to regain popular control. As a result they obtained sometimes a share in the government of the town. but the close body which they then opposed was, it is argued, not the merchant gild as such, nor did they themselves, as a rule, possess or exercise political functions.

20. The real relation seems to have been different

The distinction between rich, powerful merchants and poor, oppressed craftsmen conveys, it is urged, a wrong impression. On the one hand, the early merchants included everyone who traded, both great and small. On the other, the early craftsman himself, it seems, bought his raw material and sold his finished goods. In England the greater power of the King checked the growth of lesser authorities, which in its absence proved oppressive on the Continent. The distinction, then, between merchant gild and craft gild must on this view be sought not so much in antagonism between their members as in a difference of rights and duties. The merchant gild was that department of the town government which protected the trade monopoly generally, and was not limited in membership or interest to any special trade. The craft gild—at first, at any rate—comprised the craftsmen of a single trade, had not political duties, and made its rules and regulations under the control of the town government. It might gain a monopoly of working and of trading in its special industry, but its existence and its privileges seem to have depended on

the payment of a *feim* to the Crown, and not, like those of the merchant gild, on a clause in the municipal charter. As time passed the number of separate industries increased, and craft gilds grew more important. In this, as in other cases, division of labour tended to supersede the general by the particular, the universal by the special. The merchant gild, whose business it was to protect the general monopoly of trade, sank in importance, and the craft gilds, which were separate bodies, concerned in each case with the special monopoly of a particular industry, gained new influence. When, in fact, the towns ceased to be large villages, and became less or more important centres of trading, the merchant gild was the chief institution, but as separate industries arose, and craftsmen were more and more identified in person with free citizens, the craft gilds overshadowed and encroached on other bodies. Such changes were not accomplished in the course of one or of more than a single century, and, as we saw, the process of development may not have been always the same. It may possibly be the case that some craftsmen, possessing the qualification of citizenship, were admitted to the merchant gild, while others of humbler station were excluded. Craftsmen may only have come into direct collision with merchants when they wished to attend the markets, and did not produce to the immediate order of a private customer.

21 The craft gilds resembled the merchant gilds in spirit and in conduct

Like the merchant gilds, the craft gilds were exclusive in their attitude to outsiders, but did not neglect the public interest in their internal regulations. Good workmanship and good materials were sought, and

measures taken to prevent deceit. To such objects we may ascribe the veto laid on work at night, and that insistence on an apprenticeship for a number of years which was coming into favour in the early part of the fourteenth century. The same spirit dictated the penalties on such devices, quoted by Professor Ashley in his "Economic History,"\* as "putting better wales at the top of a bale than below, moistening groceries to make them heavier, selling second-hand furs for new, soldering together broken swords, selling sheep-leather for doe-leather." As in the merchant gilds, relief in sickness or old age, assistance to widows, and burial of the dead, were regarded as the duty of the gild. The officials of the gilds, the wardens or others, elected year by year at the meetings, admitted members, fined or punished wrongdoers, and supervised the trade.

22. Thus life in the towns, as in the villages, was confined, although changes were at work.

Under such conditions the economic life of the towns was spent. Routine and privilege prevailed, and the views of the inhabitants and their rulers rarely, if ever, passed outside the circle of their exclusive interests. Like the village to the rustic, the town was the unit to the merchant and the craftsman. The stranger coming from another town was a foreigner, to recover a debt from whom might need the action of the merchant gild of one or both of the towns in question.† Contrasted with the condition of the villages, greater liberty was found, and some charters contained a clause providing that a villein might acquire freedom by remaining in

\* Book 1, chap. 11, pp. 90, 91.

† Some curious "familial relations" existed between some towns, taking their customs from one another.

the town, holding land, and belonging to the merchant-gild, for a "yeal and a day" without being claimed. But such freedom consisted, not in the enterprise and competition now associated with the term, but in the narrow enjoyment of exclusive privilege. Established custom governed the production and the sale of goods, and any alteration or improvement was rarely, if ever, considered possible. Great fairs might, indeed, be held at fixed intervals, such as those at Stowbridge and at Winchester, and traders might come from all districts of England and abroad. But these fairs, it seems, were regulated, and special privileges were preserved only less jealously than at the markets in the towns. Yet the two centuries passing the Norman Conquest from the reign of Edward I were an important period of "national formation." Institutions, apparently the most unchanging, were not exempt from change. The commutation of services for money and the liberty of managing their own affairs were stages passed by village and by town on the road to the larger activity and the broader notions to which they were destined to be brought.

## CHAPTER V.

### FROM THE MEDIÆVAL TO THE MODERN WORLD.

*(From Edward I to the Tudors)*

#### COMMERCE AND INDUSTRY, AND THE TOWNS —THE WOOLLEN INDUSTRY.

##### I. The Hundred Rolls date from Edward I.

Towards the close of his reign William the Conqueror made that survey of his new dominions which is known by the name of *Domesday*. It has furnished, as we saw, information on the economic arrangements of the time and the nature of the manorial system.

Two centuries later Edward I. ordered another 1274 inquiry, the surviving records of which supply some material for comparing the two periods, and noting the advance achieved. The *Hundred Rolls* are found in complete form for seven counties alone, while from the more comprehensive *Domesday Survey* the returns for a smaller number of counties are absent. But in its limited sphere the information of 1274 is more detailed than that of 1086. The object of the later inquiry was slightly different from that of the earlier, and the difference is significant of the economic policy of Edward. He wished to ascertain the exact nature

and precise extent of the royal possessions, and to discover the excesses or shortcomings of the officers whose business it was to manage the property, fulfil the duties and maintain the rights of the Crown. The manors, which belonged then or before that time to the King, the tenants-in-chief holding directly from him, and the loss caused by grants of subordinate tenures, or "subinfeudation" (as it was called), the free socmen on the royal demesne, the fee-farm-rents or *feims* paid by boroughs and hundreds and shires, and the injury arising from their surrender or bestowal on others, the different claims and concessions made and allowed of royal rights and privileges, like the "assize" of bread or ale—all these particulars were recorded, together with the failings of officials in accepting bribes, in passing by misdeeds, in allowing castles or manors to fall out of repair, in extorting more than was properly due, in neglecting what was rightly forfeit.

2 They show the character of his economic policy

The combination of a diligent regard for the privileges and property of the Crown with an active interest in the common welfare of his subjects, and a firm, prudent resolve to protect himself and them from the excesses and defects of royal officials, which is shown by the character of the information gained in the *Hundred Rolls*, supplies the keynote of the policy of

1272-1307 Edward. It was thus that his reign opened

a new economic epoch. The nation as a whole took the place in his eyes which the town, or the gild in the town, had occupied before. National considerations had not been absent from the purposes and acts of earlier sovereigns, but on the whole they had

been fitfully pursued, and the nation itself was being formed. The altered conditions of the times permitted and required a change. The growing existence of Parliament was a sign, which could not be mistaken, that the period of "national formation" was closing, and with such assistance, Edward I. sought in economic affairs to substitute national interests for those local and sectional aims which had prevailed before.

3. This policy was followed by Edward III., but was afterwards reversed

It is true that this policy consisted not so much in introducing a new as in copying in a bolder hand an approved pattern, and in extending to the wider area of the whole country regulations which had applied within the narrower circle of gild or town. It is true also that the policy did not prove to be lasting, and that, after an interval, the jealous opposition of disturbed privilege, entrenched once more against intrusion, baffled where it did not overcome more generous intentions. The catholic spirit animating Edward I. and Edward III. was exchanged for the shifting attitude of Richard II. in the earlier portion of his reign, and in the later the recovery of exclusive rights checked the further spread of liberal tendencies. In this reign we may trace the beginnings, not yet very distinct, of a new national policy. It was conceived in a different vein. It was the "Mercantile System," as it was afterwards called. Under the Tudors it reached conspicuous prominence. In the century between the struggle of the Houses of Lancaster and York was the cause of much bloodshed in the Wars of the Roses, which disturbed the country during a score

or so of years. Yet that fierce, obstinate struggle seems to have interfered more seriously with the domestic peace and the political power of the nobles than with the business transactions and industrial affairs of the people. The goal of the mercantile system was national advantage, the particular object sought was the maintenance and increase of power and not the provision of plenty. The interests of the consumer, which had apparently exerted an important influence on the policy of Edward I and his grandson, were placed below the interests of the producer, and the older conception was revived, four centuries later, in the ideas of freedom of trade. National power was insured by the development of shipping, the increase of treasure, and the growth of population. Such are the ideas which can be discerned beneath the surface before they gained open recognition.

4 The land laws of Edward I. combined a regard for the public interest with attention to that of the Crown.

Edward I. united a regard for national interests with a jealous custody of the rights and possessions of the

Crown. This watchful keenness was shown in the 1279 legislation upon land passed in his reign. The

Statute of Mortmain checked its transfer to 1290 religious houses. The statute known by its opening words as "Quia Emptioes" stopped

the practice of "subinfeudation". It provided that in cases of sale the purchaser should be subject to the same feudal superior as the seller had been. In both statutes the object in view was the protection of feudal superiors, and among them the Crown, from the loss of their rights, for a nominal alienation to

ecclesiastical body, or to private individual, might be used to cover re-instatement of the original possessors, freed from their feudal obligations. By an irony of fate the statute of "Quia Emptores" encouraged that transfer of land which was certainly not intended, for it was now permitted, if only the condition was satisfied, that the rights of the feudal superior were protected. Thus a process, which preserved the interests of the Crown, did not fail to advance the position of its humbler subjects, to whom land might now be freely and securely granted.

### 5 This combination of objects was shown in the raising of the revenue

The substitution of regular *customs* for irregular rights of *prise* may be traced to the desire of the King and his Parliament to protect themselves alike from defects and extortions of royal officials.\* The "ancient custom" on wool and leather exported, which was paid by all, and the "new custom" taken in addition from foreigners on imports and exports of wool and other merchandise, were fixed in amount, and were collected in the ports, to which the trade was of necessity confined, by "customers," to whom belonged the duty of preventing smuggling. Special "subsidies" were also voted by Parliament on particular occasions, and these sometimes took the form of *tunnage* on every tun of wine, and *poundage* on every pound of merchandise. They were taken from English subjects and foreigners alike. The taxes on movables, introduced by Henry II, which had become a regular mode of raising revenue, in the form of a certain proportion—a tenth on the towns and a fifteenth on the

\* Cf. Hall, "The Customs Revenue of England," vol. II, chaps. v-vi, and also Dowell, "History of Taxation."

counties—were in the reign of Edward III. fixed at a definite figure by negotiation between royal commissioners and each town and village. In this way certainty, afterwards pronounced by Adam Smith\* to be the chief essential of a good system of taxation, was secured in fuller measure, and the old *tallages* and *scutages* were, in theory at least, abandoned. In the emergencies of practice the Kings, compelled by that necessity which knows no law, had recourse to older forms of revenue. Edward I. himself set the example, and the right of *purveyance* remained as a weapon in reserve, the destructive power of which might be increased if occasion demanded.

### 6 It was also seen in other regulations

Other measures perhaps were designed more obviously to serve the public interest. The recovery of debts was aided by a statute which took its name from the place, Acton Burnel, where it was enacted. The safety of the highways was guaranteed more fully by the provision of the statute of 1285 Winchester, that "there be neither dyke nor bush, whereby a man may lurk to do hurt, within two hundred foot of the one side and two hundred foot on the other side of the way." The expulsion of the Jews, who were in a sense no part of the nation, fell in with a national policy, and the necessary harshness of the measure was softened by the King's own action. The attention paid to the needs of a steady currency, by checking the entry of bad money from abroad, was a further sign of that anxious care for trading wants which guided and inspired his policy.

\* "Wealth of Nations," Book V, chap. II, part II

7. The policy of Edward III. and his successors may be conveniently examined in connection with the history of the woollen industry.

The economic aims of Edward III. were hardly less evident. In his foreign wars, which were so conspicuous, and in his peaceful legislation, we can see a purpose, consciously pursued, to further the material progress of the country. The measures taken with this aim may be connected conveniently with ~~that woollen industry~~ which was for many centuries our most important trading interest. With the advance of that industry from a time when the raw material alone was produced in England, and was sent abroad for manufacture, to a time when both the material and the manufactured article were supplied within the limits of the realm, significant changes in taxation and commercial policy were linked. The great export of wool made it possible to transmit to Italy large Papal revenues without draining England of the precious metals. The important crop of wool was seized at least on one occasion by the King as a forcible means of raising the funds he urgently required, and restored to the merchants to whom it belonged when they had made compulsory payment, or was sold to purchasers, and the proceeds appropriated. The influence of foreign immigration on English industry was shown by few incidents more remarkably than by the introduction of Flemish weavers by William I., by Edward III., and by Elizabeth. In the infancy of the manufacture of cloth, in the deliberate attempt of Edward III. to stimulate its growth, in the intention of Elizabeth to cause the production of the finer qualities, we note successive stages of development, when material aid was sought and obtained from foreign immigration.

The rise and decline of the gilds, the origin of the "domestic system" of industry, which assisted and followed their overthrow, the early anticipations of the factory, which was at a later time to supplant the domestic system, were events in the history of the woollen trade. With the important changes in rural economy which we shall study in the following chapter it was connected. In his "Six Centuries of Work and Wages" Thorold Rogers justly observes\* that the "mainstay of English agriculture was the sheep." Professor Ashley remarks† that the "history of English wool and cloth has a twofold interest, it explains the origin of the wealth of England, and it illustrates, with peculiar clearness, the development of industry."

### 8 Thus the foreign policy of Edward III had an economic side

The foreign policy of Edward III, in which he returned to the idea of Continental dominion, apparently dismissed by Edward I when, with a statesman's instinct, he addressed himself to the more pressing duty of strengthening and consolidating his English kingdom, is associated in its earlier stages with the fame of the victories of the archer at Crecy and Poitiers, and the military renown of the Black Prince. There are reasons for thinking that it was prompted and guided by some economic considerations. Flanders on the north and Guienne on the south opposed the suzerainty of France. They were supported by Edward, who was hereditary ruler of the latter, and used the former as his base of military operations. Both districts were connected with

\* Pp 78, 79. † "Economic History," vol. II, chap. III, p. 191.

† A similar motive may be traced afterwards in the foreign policy of Henry V.

important English trading interests. From Guienne came wine, the chief import, and Edward paid distinct regard to the welfare of consumers. In Flanders, with which he was closely allied, wool, the most conspicuous export, found its market. Other motives, no doubt, exercised an influence; the coincidence of economic with political interests is at least apparent. Scarcely less significant were the terms of the peace\* which followed the earlier war. Flanders was surrendered, but Guienne was taken, and, while the King may have exerted no choice in the matter, the importance of Flanders was certainly diminished by the prospect that England would herself manufacture the cloth, the raw material of which she had previously exported.

9 Successive changes in the Customs reflected the growth of the woollen industry.

A century earlier, in the reign of Henry III., the exportation of wool was forbidden expressly to encourage the manufacture of cloth. A little later 1258 not merely was the export of wool arrested, but the importation of cloth was stopped. This re- 1271 striction, however, was intended to serve the temporary object, in which it was successful, of forcing Flanders to agreement in political proposals by pressure on her trading interests. Three years later, again, the restriction was withdrawn; but changes in the subsequent history of the customs—in their figures and their regulations—reflect with clearness the growth of the woollen industry. At one time wool was the largest item of revenue, but its place was taken 1347 afterwards by cloth. About the middle of the fourteenth century new duties were imposed on cloth

\* The treaty of Bretigny (1360)

A century later, when the industrial and mercantile classes had reversed the liberal policy of Edward III, and substituted protective measures, they followed the example which he himself had set in a temporary de-

parture from his principles, made, as we shall see,

1463 for a special object The importation of cloth was forbidden, and its export in preference to wool was stimulated by a rearrangement of the export duties With

1434 the same object of defending and promoting the cloth industry, the Government thirty years before

had met a veto on the entry of English cloth into Flanders by forbidding the export of wool In this policy they collided with the interests of important classes who grew and exported wool, and its stringency was relaxed under pressure But the policy itself showed the great

and growing importance of cloth The Flemish rulers, on their side, were divided between anxiety to protect an ancient industry from the dangers of English competition, and unwillingness to be shut off from what was still, despite of other wool-producing countries,\* the chief source of the raw material Finally, at the

1496 close of the fifteenth century, the free importation of English cloth into the Netherlands was secured by the *Intercusus Magnus*,† as it was called, and the consequence was ultimately seen in the decay of the Flemish industry England had, in fact, won an acknowledged supremacy.

10 The immigration of Flemish weavers exercised great influence

1567 The decline of Flanders was aided by other causes, of which the immigration of Flemish weavers into England under Elizabeth was not the least

\* E.g., Spain

† "The Great Intercourse"

important. They brought with them a knowledge of the finer modes of making cloth. They lent material help to the success of their adopted country. But this was not the first occasion on which the stimulus was applied. William the Conqueror was connected with Flanders through his wife Matilda, and she received and helped her countrymen, who left their homes to avoid inundation. Their relations with the English, like those of their successors, were not free from friction, and Henry I. met the situation by 1107 settling them in a Welsh district, where traces of their different origin from that of their Celtic neighbours may still be found. They were the first Flemish weavers to come to England. Like their successors, they were under royal protection. Like their successors also, they were driven from their own country by adverse circumstance. It was the persecutions of Alva which expelled the Flemish immigrants of the Elizabethan age, and Edward III. was enabled by serious disturbance in Flanders to induce the weavers of his time to settle in this country. He promised them important privileges. They were freed from the control of the *aulnager*,\* an official charged with the duty of seeing that cloth was made in pieces of a particular size or number of ells in length. In their interests the protection given by checking the export of wool and forbidding the import of cloth was expressly included among the provisions of the ordinance under which they were invited to come, but the precedent of 1337 an earlier occasion was again followed when the political motive of securing the neutrality of Flanders awakened the more liberal instincts of the King.

\* Appointed by Edward I.

II The position of the aulnager showed the importance of the worsted industry.

Before the arrival of these immigrants the new manufacture of worsted had become important. In consequence of the complaints of merchants that the worsteds produced were not of the length that was stated, a special aulnager was appointed for the county of Norfolk, which was the chief seat of the industry. So important, indeed, was that county that in 1341, Thorold Rogers remarks,\* its capital, Norwich, "was probably, for its size, the second city in the kingdom in point of wealth." According to an assessment made in 1453 it was still the third, although fifty years later it had become the fifth. The county was conveniently situated for easy communication with Flanders. The appointment of the special aulnager, however, evoked such opposition among the craftsmen that in 1329 the King withdrew from its holder the grant of the office, and for the latter half of the fourteenth century the producers of worsted were free from supervision. With the gift of a new charter to the city of Norwich in the early years of the fifteenth century, the municipal authorities sought and obtained the power of aulnage in the interests of the trade. The importance of the industry is shown by the statement in their petition that the trade of Norwich was "in nothing but worsteds," and that no less than twenty-one different sorts and sizes of worsted cloth existed. With the lapse of time, however, and the growing diversity of the wool which was used, the functions of the aulnager generally underwent a significant change.† His statement of the length of

\* "Six Centuries," p 115.

† The office existed until the reign of William III.

the cloth offered for sale continued to be the authorised statement, but cloths falling below the ancient standard were no longer forfeit.

## 12. The strict regulation of trade was also seen in other measures

The duties thus discharged by the "aulnager" were the offspring of the same motives which had dictated the "assize" of bread and of ale, fixing the prices of those articles. Such regulations caused certainty in business transactions. They were devised to protect the consumer from fraudulent dealing and to preserve the repute of the trade. This was a public duty. A close supervision of the supply of victuals was exercised in the fourteenth and fifteenth centuries by the local authorities, and a notable sign of the decline in their power, which was evident in the sixteenth, was the neglect or loss of this function. "Sumptuary" legislation, forbidding luxury in food or extravagance in dress, protected the consumer from his own worse inclinations. The provisions against "regiating," or "forestalling," and "engrossing" may be cited as further examples of the policy of guarding him from deceit or injury. Like other local rules, they were given a general application by the King. "Regiators" were "persons buying coin or other victuals and reselling the same in the same market-place or in any other fair or market within four miles." "Forestallers" were "persons buying goods or victuals on their way to a market or a port, or contracting to buy the same before actually brought for sale, or endeavouring by these or other means to enhance the price or prevent the supply." "Engrossers" were defined similarly, by a statute of the sixteenth century,\*

\* By an Act of 1551-52

as "any buying corn growing, or any other corn, grain, butter, cheese, fish, or other dead victual, with intent to resell the same again," but at an earlier time these dealings were not necessarily confined to these commodities, and the three names were indifferently used to cover with a general censure all forms of speculation which raised prices and encouraged fraud.

13 It was specially noticeable in the selection of the "staple."

Perhaps the most instructive instance of the strict regulation of trade was the institution and management of the *staple*. The interests of the King in the sure and easy collection of his "customs" coincided here with the interests of producers and exporters in the certainty and security of business. Both such aims were more likely to be realised if the channels of trade were defined. The importance of the commodity wool is again shown, for at first the *staple* was usually placed in Flanders. The *staple* was the town or towns to which commodities for export were compelled to be sent for their market. The "Merchants of the Staple" were the exporters. They enjoyed a monopoly. They claimed to date from the reign of Henry III, and before then time the export trade had, it seems, been chiefly conducted by the Hanse merchants.

1328 Edward III tried the experiment in 1328 of abolishing "all staples beyond the sea and on this side." In 1341 Bruges was selected as the staple town, in 1353 ten towns in England were substituted, and in 1363 the staple was placed at Calais.

The reasons for these successive changes are found in the results of the various experiments. The necessity for some definite guidance of the stream of

commercial intercourse was shown by the selection of Bruges in place of the system of unrestricted liberty which was previously tried for a time. The removal of the staple from Bruges to England was due, partly to the selfish efforts made by Flemish merchants to exclude other purchasers, partly to the desire to avoid the perils of crossing the sea, which were no by means trifling, in spite of attempts made by Edward to check or suppress piracy, and partly to a wish to restrain the import into England of bad foreign coin, which troubled the King no less than his grandfather. The transfer, again, to Calais was prompted by the need of attracting foreign merchants, who could not be tempted to come to England, in spite of regulations made for their special convenience. Such were the courts, in which "law merchant," distinct from the "common law," was administered by the "mayor of the staple," and the "constables" and "assessors" elected by the merchants, either local or foreign. Such also was the provision for enforcing the law by means of the ordinary officials of the towns, who were bound to obey the orders of the "mayor of the staple" and his assistants. The motive of attracting foreign merchants was strengthened by the advantage, as it seemed, of concentrating trade in a single staple town. That town, indeed, was now to be within the English dominions, and at Calais the staple continued to be placed for a time, until at last it was permanently fixed.

14. The encouragement of foreign merchants was a part of the policy of Edward.

The wish to encourage foreign merchants, shown in the rules and customs of the Staple, was an essential part of the policy of Edward. In this he followed his

grandfather, and was met by no less stubborn opposition. The provisions of Magna Carta for the "free travel" of foreign merchants in the kingdom were a pious hope rather than a practical reality. The burgesses wanted the merchants to come, to transact their business with speed, and thereupon depart again. They were peculiarly anxious to exclude strangers from retail trade. Both Edward I and Edward III succeeded in removing the limit of residence, fixed at forty days, and the restriction, preventing the merchants from trading with others than those living in the port at which they landed. Under Edward I the burgesses generally retained the monopoly of retail trade, but this was thrown open by his grandson. The victory did not last for long. By the end of the fourteenth century the towns recovered their exclusive rights. They triumphed over the kings, who, apart from any wish to advance the trade of the nation and to benefit the consumer, would be ready to welcome additions to the customs revenue. They triumphed no less over the landowning nobles, who were not unwilling to increase the export of the wool produced on their land.

### 15 The opposition of the gilds to the foreigners was bitter and persistent

In view of such jealousy of intrusion, it was not likely that the Flemish weavers, invited by Edward, would meet with a friendly reception. Craftsmen could not be expected to welcome them more readily than burgesses were prepared to receive foreign merchants. The king might rise superior to local, or even to national prejudice. He might try to break down the barriers of local prejudice where they obstructed what he held to be national interests, and in such a spirit as this he might establish

rules, borrowed from municipal practice, and applied to the country as a whole. He might thus enlarge the boundaries of individual freedom. He might even go further, and, where national welfare was promoted and the interests of the consumer were served, he might not be anxious to consult the immediate advantage of producers or the exclusive wishes of an existing generation. He might thus proceed from a local to a national, and, to some extent, even from a national to an international standpoint. But throughout he must be prepared to encounter the bitter, persistent opposition of narrower interests and views. In this respect, at least, "history repeated itself."

16 Some early craft-gilds may perhaps have originated among foreign immigrants

There are reasons for thinking that an explanation of the recorded acts of oppression suffered by some early craftsmen may be found in hostility felt towards foreigners by burgesses and merchants. It certainly seems to be the case that gilds of weavers were among the first examples of such institutions; that they were found in certain towns as early as 1130, 1130 paying annual sums to the king, that in some places at least unfriendly measures were taken against weavers and fullers, drawing unfavourable distinctions between them and free burgesses, and that in London John was persuaded to abolish\* the 1200 weavers' gild in consideration of an annual payment by the citizens to the Exchequer. If such acts of enmity were specially intended to injure alien craftsmen, introduced under royal protection, they can be reconciled with the fact that, so far from there being

\* It was restored after a brief interval

clear evidence of general strife between merchants and craftsmen, like that which caused a long and bitter contest on the Continent of Europe, and was not absent from Scottish history, craftsmen seem, as we saw, to have been admitted generally to the merchant-gilds, and at the outset to have differed little from merchants in the rank, which they occupied, or in the scope or character of their business and work. The craft-gilds appear to have superseded the merchant-gilds as a natural result of increased division of labour, and the distinct separation of trades and industries. The prominence of weavers in the early history alike of foreign immigration and of the gild supports the view that such gilds were rather peculiar formations, suited to the special circumstances of particular industries, than examples of a general type, the history of which may be treated as characteristic of the gild known at a later period. In the case of the gilds, as of the manor, general statements may indeed prove as delusive as they are tempting, and the lines of development followed in different instances may have differed in detail, or even direction. The view, which has just been stated, affords at least an explanation of such oppressive rules as those which provided that a freeman could not be accused by a weaver or fuller, and that a craftsman, who wished to reach such an enviable dignity, must forsake his craft. And yet it is consistent with the ascertained facts of later history.

17 The Flemish weavers of Edward III's reign were gradually absorbed in the gilds

History then "repeated itself," and when the Flemish weavers arrived in London in the reign of Edward III they met with the enmity of the weavers' gild, which

had gained an acknowledged position. The gild wished to force them to contribute to the *feim* paid to the king. The king himself took their part; but by the fifteenth century the foreigners were included in the gild, though in the interval, it seems, they had formed at one time an association among themselves, and the weavers' gild (or company) had declined in power and wealth. The course of events in London, Professor Ashley thinks,\* was not unlike that which happened in Norwich and other parts of the country where the weavers settled. At the first they met with no cordial welcome, in the end, with the willing or unwilling assent of the original members, they were merged in the established association.

#### 18. The craft-gilds first grew in power, and then declined.

If "the woollen manufacture was" thus "the first to take the form of the gild," it was also "the first to break through its limits."† With the lapse of time the craft-gilds lost control of the trade, and a fresh development was seen outside. For they became more narrow and exclusive. They grew indeed in number and in authority as the merchant-gilds declined. For when the towns resumed their restrictive privileges, reversing the more liberal policy of Edward I. and his grandson, the craft-gilds filled, to some extent at least, the position taken before by the merchant-gilds. They owned and exercised a monopoly of the particular trade, which, in each case, they controlled, and altogether, the authority they possessed, to which they gave expression in rules of similar pattern, amounted to duec-

\* "Economic History," vol. II, p. 202.

† *Ibid.*, p. 192.

tion of the trade-monopoly as a whole. The love of pageantry and the calls of religious ceremonial made a powerful appeal to the mediæval mind, and the craft-gilds, like other "mysteries" and "companies" of the times, offered a convenient means for their easy abundant gratification. They were encouraged by those in authority. The Yorkist kings used their help to 1463 carry into effect the prohibition of foreign cloth; and a century earlier the rigid lines of division drawn by them between different crafts or different parts of the same industry were recognised by such ordinances as that which provided that "no dyer or weaver shall make any cloth," or, in other words, be a cloth-finisher.

### 19 They became more exclusive

Against intrusion from outside they had from the first set up and maintained strong barriers, but with the lapse of time they tried to obstruct the narrow passages permitted through these barriers to the comparative freedom and equality that reigned within. Inside the outer limits of the trade they made flesh preserves. Entrance fees were raised, hereditary rights of membership were established, and various other hindrances were offered to the admission of new members. Thus they became more and more close corporations. Then government tended by similar means to pass into fewer hands. The expense of buying the costly "liveries," worn on those ceremonial occasions when important business was transacted, ended by excluding poorer members from the election of officials, and from the conduct and even the knowledge of the gild affairs. Among "liverymen" themselves in the London Companies a yet smaller body, the "Court of Assistants,"

gained a monopoly of control in the sixteenth century. In somewhat the same way and for the same reasons differences of wealth gave rise to differences of power and rank between the twelve greater and the lesser of those London Companies.

20 Separate classes of dealers, such as the "drapers," arose

These Companies, however, among which the Drapers took an important place, consisted rather of merchants and dealers as distinct from craftsmen. The early craftsman had often been at once dealer and producer. He had bought his raw material. He had turned it into a manufactured article. He had sold his finished goods. The early merchant had, it seems, filled the same social station, and joined in the membership of the same merchant-gild. The lapse of time and the increase of industry and commerce brought a distinction between dealer and producer. The growth of the woollen industry is shown by many changes and developments, but not the least significant is the fact that by the beginning of the fifteenth century need had arisen for a separate class of "drapers," or dealers in cloth, distinct at once from the craftsmen, who produced the cloth, and from the early merchants, who included it with other articles in the simple transactions of their limited business. The first charter was granted to the Drapers' Company of London in 1364, giving a monopoly of the retail sale of cloth, but at that time the 1364 drapers were, it seems, still engaged in the actual production of the cloth—in that part which formed the finishing process. Within fifty years the Company had gained great power; even at the end of the reign of Edward III, together with the Mercers, who

dealt in silk, and the Grocers, who dealt in spices, they had risen to the first position among the London Companies. A similar place was taken by the three trades in other towns and from their number, and especially from the mercers the important Society of Merchant Adventurers afterwards arose, "the parent, in Professor Ashley's words," "of all the later trading companies, which won for England her commercial supremacy." Unlike the Merchants of the Staple, the Adventurers were ready to push the sale of fresh commodities in new directions. The Merchants of the Staple dealt in raw materials: the later Adventurers traded in the manufactured articles, and among these cloth rapidly assumed the chief

position, as wool before had enjoyed the lead of 1407 the raw material exported from the country.

Their first charter dates from the beginning of the fifteenth century.

## 21. Restrictions were placed on apprenticeship.

The early craftsman was in many cases his own dealer and himself bought his raw material and sold his finished goods. He also did the actual work of manufacture. He may, it is true, have employed two or three persons beside himself, but—at first at any rate—they enjoyed an equality of rank with him. In course of time distinctions arose which were at once a cause and a consequence of the more exclusive spirit shown by the gilds. The master-craftsman was parted by degrees from his apprentices, learning their craft, and from his journeymen, or hired labourers. The conditions of apprenticeship were used as a means of limiting the numbers of the trade. It was gradually established as the sole route by which men passed to mastership, and

gradually was its duration fixed. Seven years thus came to be the common term. Villeins, as such, were excluded. Fees were taken, which at a later period were burdensome enough to cause a grievance. By the sixteenth century restriction on the number of apprentices was general. Such conditions may have proceeded from the same mixed motives as those which often prompted both merchant-gild and craft-gild. Their rules united a regard for the honest workmanship, which advanced the public interest, with a wish to gain and to preserve exclusive privilege. Similarly, restriction of the number of apprentices may have been intended to promote efficient training as well as to diminish competition. At any rate, such a limit became usual, and the clause on the matter in the famous Statute 1563 of Apprentices, passed in the fifth year of the reign of Queen Elizabeth, was, it seems, designed, with other statutes, to hinder certain trades from departing from a custom generally observed.

## 22. "Journeymen" increased in number.

Some of these rules fixed a relation between the number of apprentices, which a master-craftsman could take, and the number of journeymen in his employment. By the middle of the fourteenth century this class of journeymen had grown important. At first, no doubt, each apprentice might reasonably look forward to the hope of being a master-craftsman, either at the close of his apprenticeship or after a short interval of living as a journeyman. With the growth of population and an increase in the scale of industry, an abundance of labour seeking employment, on the one hand, and a necessity, on the other, for accumulating capital, before a business could be started, joined with the selfishness of existing

masters, who wished naturally to limit their numbers, in making such a prospect more remote. A journeyman could no longer count on reaching the position of a master. Some conflict of interests between journeymen and masters is perhaps shown by the "journeymen's associations," or "fraternities," which arose in certain industries in the fourteenth, fifteenth, and sixteenth centuries. In England, as on the Continent, they covered then economic aims, whatever they may have been, beneath that open disguise of a religious association which was a common feature of the time. At the stage indeed, in which we actually discover them, they seem rather to be subordinate departments of the masters' companies, and in any event, it would appear, they were less prominent in England than they became upon the Continent. The opposition prevailing here between journeymen and masters was not so pronounced. The general conditions of industry, in fact, were different.

### 23 The woollen industry passed into the "domestic system"

The weavers of Coventry furnish one example of such a journeymen's association, and there an agreement between masters and journeymen was reached by mutual understanding in the middle of the fifteenth century. The masters were permitted to restrict the number of apprentices, the journeymen were allowed to form a "fraternity," and to gain the rank of masters on the payment of a pound. At that time, however, changes of great importance, which we may now study, were making their appearance in the woollen industry. It was leaving the gild-system; it was entering a new phase. Professor Ashley remarks\* that economic historians have distin-

\* "Economic History," vol. II, p. 219.

guished four stages of the development of industry. In the first, under the *family system*, "the work was carried on by the members of a household for the use of that household." In the second, under the *gild system*, the craftsman alone, or with his few apprentices and journeymen, produced for a small and steady market, and often himself bought his materials and sold his goods, or at least received the materials from a customer, who intended the goods for his own use, and paid the craftsman for their manufacture. The third stage of development was what is known as the *domestic system*. It lasted from the middle of the fifteenth to the middle of the eighteenth century. The master-craftsman, still working at home with his apprentices and journeymen, no longer did the work of buying, or, at least, of selling. A middleman, who bore the risks of the trade, often supplied the raw material, and always took the finished goods for sale. With the *factory system*, which, at the close of the eighteenth century, marked the fourth and final stage, workers were massed together in one building, under the immediate control and direction of capitalist-employers.

24 There were even then some single instances of factories

The woollen industry was now entering the third of these four stages. Single instances might indeed be found where the factory system was already so far in existence that a number of workpeople were collected underneath one roof. In this connection the name of "Jack of Newbury" is famous, although the scale of his undertakings has probably received addition from the extravagance of rumour or of fable. A hundred or two hundred looms, and ten hundred men, women, and

children working in his factory, may be an excessive number for the real enterprise of one John Winchcombe, who controlled a business of European fame at Newbury at an early period of the sixteenth century. Yet the existence of some such extensive undertakings receives support from provisions applying to the ownership and the hiring of looms contained in a Weavers'

Act of 1555. There is also reason for thinking 1555 that some monastic buildings were turned to some such use, and, as Professor Ashley writes,\* a distinction between separate stages of development does not imply that at any one period one system occupied, to the exclusion of others, the whole field of industry, or that all industries and all districts passed in turn through each successive stage, or that varieties might not be found which did not correspond exactly to any one of the four stages.

25 The "clothier" was the centre of the "domestic system"

Of the presence of the domestic system in the woollen industry from the middle of the fifteenth century onwards little, or no, doubt can be felt. The existence of a number of local varieties of cloth, which led in the later part of the fourteenth century, and during the fifteenth, to experiments in the "aulnage," in the direction of allowing greater choice, points to the rapid spread of the industry in various districts. The provisions of different statutes, which were passed, reflect the natural desire of the old industry, still organised in the towns on the gild system, to restrict the growth of the new industry in the country, or at least to settle its "strange conditions according to what was conceived to

\* "Economic History," vol. II, pp. 220-222.

be the public interest. The manufactures of the West Country and of the Eastern Counties attract repeated notice, and were therefore, in all probability, the districts first favoured by the novel system. It was not until later that the northern county of Yorkshire became conspicuous as a seat of the new woollen industry. The motive force and the directing spirit of the system were embodied in the person of the "clothier." Distinct alike from the mere dealer or merchant, who might buy the finished cloth and sell it in the market, and from the mere craftsman, who might buy the unfinished raw material and turn it into the manufactured cloth, the "clothier" arranged for the whole process of production from first to last. In Professor Ashley's words, "He buys the wool; causes it to be spun, woven, fulled, and dyed, pays the artisan for each stage in the manufacture; and sells the finished commodity to the drapers."<sup>4</sup> He may not, indeed, in any individual case have employed a large amount of capital, measured by a modern standard. He may have attempted to practise petty extortions at the expense of the craftsmen, which they and the State resented. But of his great economic importance as the centre of the system there can be no doubt. The significance of the change itself is not easy to overstate.

## 26 The gilds finally declined.

Two consequences it produced, the influence of which was widely felt. Of the change from arable to pastoral farming—from tillage to the raising of sheep—which was stimulated by the enlarged demand for continuous supplies of wool, we shall trace the course in the following chapter. We may now notice that individuals then own

<sup>4</sup> "Economic History," vol. II, p. 228

out of occupation by the agricultural change supplied—in part, at least—the labour needed for the new industrial development. The graziers (or large sheep farmers), in their turn, seem to have joined with “drapers” and others in swelling the ranks of the “clotherers”. A further change of momentous importance was the decline of the guilds. They continued, indeed, to exist for some time after the introduction of the domestic system. It

is probable that confiscating legislation 1545-1547 which was passed took from them only

such portions of their revenues as were set apart for religious purposes. It is certain that changes directly affecting them were not rapid. The increasing influence of national considerations under the Tudor Sovereigns, and the growing interference of the central government, assailed them from outside. They lost such power as they still possessed of settling the prices of goods. They saw their authority over apprentices and journeymen disappear as the Elizabethan Statute intrusted to the justices of the

1563 peace the duties they had exercised as rights

From within, their control of trade was weakened by the fact that by combining different “companies” they became bodies with such diversities of character and interest that they were no longer able with expert knowledge to exercise effective supervision over industry. That, indeed, had now ceased to accord with popular feeling. Yet the growth of the domestic system of industry outside their boundaries and control, though it may not have proved immediately fatal, and they may have survived until their strength was sapped by other more destructive forces, must have been a weakening influence. Its similar effects on the restric-

tive powers and privileges of the municipal authorities, with which the gilds themselves were linked, hardly need to be shown in detail.

27 But the towns may or may not have lost their prosperity.

That the towns themselves declined in prosperity between the fourteenth and the sixteenth centuries has been maintained by some and denied by others. It is contended that it is not proved by remissions made by the Crown from then assessments for taying purposes after 1432. These may have meant the substitution of a definite rule for an irregular, unsatisfactory practice which had previously been followed. The lasting records of costly splendour preserved in the surviving architecture and the testimony borne by "sumptuary laws" to extravagance may be set against provisions for compelling ruined houses to be rebuilt, which had become a public nuisance, needing public pressure for its removal. They may also be set against the withdrawal of wealthy inhabitants from dwellings in the towns to residences of greater pleasantness outside. But, whatever opinion we may form on the economic conditions of the times and the material resources of the towns, the exclusive powers of the municipal authorities certainly declined. Agreements for mutual exemptions of their burgesses from tolls made between different towns, and the increasing energy of the central government in framing and enforcing rules of general application, were co-operating causes. They were aided by the rise of the domestic system of industry in the country outside the influence of municipal control. One system,

\* Cf. below in the next chapter, p 119

in short, was dying, and another was coming into being in its place. Of this the changes in the towns were significant, the changes in the country, as we shall see in the following chapter, were equally momentous. An old order was indeed passing away, and a new era was beginning.

## CHAPTER VI

### FROM THE MEDIAEVAL TO THE MODERN WORLD

*(From Edward I to the Tudors)*

#### AGRICULTURE AND THE COUNTRY—THE BLACK DEATH, THE PEASANT REVOLT, AND INCLOSURES.

i. Sir Walter of Henley and Fitzherbert were famous agricultural writers in the thirteenth and sixteenth centuries.

In the thirteenth century Sir Walter of Henley wrote in French a book on farming under the title of "Husbandry,"\* which enjoyed great repute. Its fame continued until in the sixteenth century its place was taken by another work with a similar title "Mayster Fitzherbert's Boke of Husbandry" 1523 passed through many editions before the close of the century. An agricultural expert has stated recently that the theory, which the author of that book put forward "of the origin of the fluke in sheep, survives in a more scientific form at the present day."

\* Strictly "Le Dite de Hosebondrie." It has been translated by Miss E. Lamond.

† Mr R. E. Prothero, in "The Pioneers and Progress of English Farming," p. 29. Fitzherbert included some of Sir Walter of Henley's work in his own book.

"The sixteenth century," Mr Piothero remarks in his "Pioneers and Progress of English Farming," "especially towards its close, witnessed a general impulse to the study and practice of farming." Nor was this surprising, for "between 1450 and 1560 an agricultural revolution was accomplished, which may be briefly described as a change from self-sufficing to profit-gaining agriculture, from common to individual ownership."<sup>\*</sup> The change, in fact, was of no less importance than that which occurred about the same time in manufacturing industry, and was connected with it. That, as we saw, was the passage of the woollen trade from the gild régime to the domestic system. The agricultural change may be detected by a comparison between Sir Walter of Henley and Fitzherbert. The former wrote at a time when tillage of "open fields" was the general mode. The latter showed in his writings that he was fully aware of the advantages of what is known as "convertible husbandry."

2 In the fifteenth and sixteenth centuries an agricultural revolution occurred

Under the first of these systems the arable and pasture were kept distinct, with the second the pasture broken up at short intervals was brought for a time under the plough. The difference revealed the altered standpoint of the farmer. With the "open-field system" the plough-land was treated as filling the chief position, before the adoption of "convertible husbandry" it had given place in importance to the pasture. Convertible husbandry was practised because it was found by experience to be of greater advantage than continuous pasture given to that breeding of sheep, which was rendered peculiarly profit-

\* "The Pioneers and Progress of English Farming," p. 18

able by the growth of the woollen industry, but its full benefit could not have been reaped unless certain circumstances had made it possible to substitute pasture for arable. These are found in a change from "common to individual ownership," from combined to separate cultivation, which was at once a cause and a consequence of the break up of the manorial system. For the inclosures, which announced and accompanied the agrarian revolution, consisted not merely of incroachments made by the lord, but also of the consolidation of scattered holdings dispersed before through "open fields." Not only were they necessary to the devotion of land to large tracts of pasture for sheep, but they also allowed improved arable cultivation, when in convertible husbandry land was from time to time brought under the plough. The substitution of "several" for "champion," as the two systems of tenure were respectively termed, proved thus of advantage to arable as well as to pastoral farming, and of this Fitzherbert was aware. Not was "convertible husbandry" more than one important phase of development. As the domestic system in manufacturing industry was destined to give way to the factory, so in agriculture convertible husbandry was to be followed and supplanted by the more scientific rotation of crops. The domestic system, as we saw, lost in importance as the guilds declined, and convertible husbandry in the same way resulted from influences which proved fatal to the open-field system found under the manor. In both manufacture and agriculture the development from one phase to another was neither universally nor uniformly accomplished. In some places survivals from an earlier or anticipations of a later phase might be found, and instances might be discovered of varieties departing less

or more from a prevailing pattern. But convertible husbandry certainly marked a stage of advance. During a particular period it was general, and it was a consequence of causes previously at work.

### 3 Changes had occurred before in the manorial system

The *open-field system* was a characteristic feature of the manor. The three great fields\* into which the arable land was divided were in turn subdivided into several strips. Some of these scattered strips might form portions of the lord's demesne, some might consist of the holdings of villeins, bound to render services of a more or less burdensome character, and others might belong to the socmen or the free tenants, whose position, though subordinate to the lord, was yet more dignified and independent than that of the villeins. With the lapse of time the number of free tenants increased from various causes. The economic position of the villeins improved, although their standing in the eyes of the law might be inferior to that which they had in fact gained by custom. The occasion, and sign, of this improvement was the increasing exchange of labour services for money payments. It is possible that the lord's demesne may gradually have been withdrawn from scattered strips distributed in the open fields, and gathered into a compact united whole. But, whether this were the case or not before the time of those inclosures, of which we shall treat later, it certainly was not unusual for portions of the demesne to be let at money rents to tenants more or less free, and incroachments

\* It seems that the *two-field system*, where it prevailed, lent itself more easily than the *three-field system* to "convertible husbandry," and, afterwards, to the *four-course rotation*.

from the common waste, allowed under conditions by the Statute of Merton, might be put to a similar use. As portions of the demesne were let—and this object would, of course, be achieved more conveniently as the demesne itself was consolidated—the need for the actual services of the villeins would diminish, and a readiness to accept money payments instead would increase. A similar result would follow the substitution of hued labourers from the ranks of those who either possessed no land, or, like the cottars, occupied holdings which were not large enough to supply their wants or to fill their time. In any event, from the Norman Conquest onwards an increase in the number of hued labourers, a growing commutation of services, and a development of the practice of leasing were changes occurring with different degrees of completeness and at different rates of speed in different manors and districts of the country. The tenants of a manor from the first may have been composed of various classes, distinguished now for convenience of study into broad groups, and yet consisting in reality of smaller sections shading into one another by nice differences which might baffle perception. These differences might be multiplied in fact by the changes we have noted. They might be reduced by legal theory and practice, which tended to give rigidity and permanence to broad lines of division, and to merge minor distinctions in the two classes of the free and the unfree.

#### 4 The Black Death visited England in 1348

In the middle of the fourteenth century a disturbing influence appeared. This was the Black Death, which visited England in 1348 and 1349. Of the terrible nature of its ravages no doubt can be felt. It reached

the country in the year after Edward III. returned in triumph from his victory at Crecy and at 1348 Calais, and before it passed away it had destroyed from a third to a half of the people

Dr Jessopp has examined certain records in the Eastern counties, and given the result in his book on "The Coming of the Fliers."<sup>\*</sup> Their testimony is the more deserving of confidence, because they consist of a bare catalogue of incidents, for tampering with which there was no sufficient motive. Chroniclers, writing their narratives in the midst of the alarm and distress of the "deadly pestilence," might be tempted to exaggerate, but the Institution Books of the Diocesan Registers, and the Rolls of the Manor Courts, tell, without comment, an impressive tale, neither adding to, nor taking away from, its silent eloquence. The Institution Books record the admissions to livings. They were kept, and have been preserved, with care, for when Papal interference with private patronage was at once jealously resented, and constantly feared, these Books supplied the holder of a benefice, into which he had been hastily thrust at the death of his predecessor, with the guarantee needed to preserve his claim. They supply, therefore, a record of deaths among the parochial clergy, and also among the heads of religious houses, who were generally compelled to present themselves on election to their Bishop. A similar record of the deaths of the holders of land is found in the rolls of the Manorial Courts. On the decease of a tenant, certain rights of the lord arose. If he died without heirs his land might be forfeit, or "escheated." His heirs might have to yield a "heifot," in the form of the best beast,

\* *Of Essays IV and V*

on their succession, and to pay a fine for admission. To protect, therefore, the rights of the lord, and to secure the interests of the tenants, the Court Rolls required, and received, the same careful attention as the Institution Books. Their joint testimony accordingly to the ravages of the plague can hardly be impeached, and they record a part alone of the mortality occurring in the area, to which they refer. For a living might remain vacant for some time from lack of a successor, and only the heads of families figured, as a rule, on the rolls of the Manor Courts.

### 5 The ravages of the pestilence were very great.

From Dr. Jessopp's examination of these records we may select some typical examples. Entries, noting the absence of heirs, "swarm in the Court Rolls" of the year 1349. Sometimes the record is broken for a year or two. Sometimes it is begun in one hand and continued in another, not yet fully formed, or is marred by the bungles of some amateur. In one manor seventeen tenants, eight of whom left no heirs, died in the interval between one court and another. In a second manor fifty-four men and fourteen women from a population, which must have numbered less than four hundred, were killed in six months, and twenty-four left no heirs. In the parish of Hunstanton, "which a man may walk round in two or three hours, and the whole population of which might have assembled in the church then recently built, one hundred and seventy-two persons, tenants of the manor, died off in eight months, seventy-four of them left no heirs male, and nineteen others had no blood relation in the world to claim the inheritance of the dead." "In the two counties of Norfolk and Suffolk, at least nineteen religious houses were left

without prior or abbot" "In the house of Augustinian Canons at Heveringland prior and canons died to a man" "During the month of July" (1349) "in scarcely a village within five miles of Norwich had the parson escaped the mortality" "In a single year upwards of eight hundred parishes lost their parsons, eighty-three of them twice, and ten of them thrice times in a few months" "When I consider all this," Dr Jessopp remarks, "and a great deal more that might be dwelt on, I see no other conclusion to arrive at but one, namely, that during the year ending March, 1350, more than half the population of East Anglia was swept away by the Black Death. If anyone should suggest that *many* more than half died, I should not be disposed to quarrel with him." It must also be remembered, as Dr Jessopp observes, that probably the mortality in the towns of East Anglia, which even then were by no means unimportant, was equally or more severe, for the sanitary conditions may well have been worse. There are certainly reasons for thinking that other parts of the land suffered no less disastrously from the Black Death.

## 6 The Statutes of Labourers tried to prevent the rise of wages, which followed

The natural consequence of this great mortality was seen in a scarcity of labour, and a difficulty in obtaining its services at the previous rates of payment. This difficulty would be felt in town and country. Where the demesne was cultivated by hired labour, the forfeiture of land on the death of a tenant, which must often have resulted from the failure of heirs, would prove but a mixed advantage to the lord. Where tenant and heirs alike had died, there was no fine to be paid.

on admission, and fresh labour must be hired to work the additional land. That labour could only be hired at a dearer rate. To meet the emergency a proclamation was issued, and, when Parliament assembled, the Statute of Labourers was passed in 1351, to 1351 be followed by others of a similar but more stringent character in 1357 and 1360. The proclamation and the Statutes were intended to force labourers to work at the old rates of wages. None were to give, or to take, higher wages in the country or the town. None, who possessed no other means of livelihood, were to refuse an offer of work on such terms. None were to quit their employment on pain of imprisonment. Those, who took this step, were, by the Statute of 1360, to be branded on their foreheads. By the Statute of 1357 the fines levied for breaking the earlier Statute were given to the lords as a stimulus to their activity in arresting offenders. These Statutes were noteworthy, not merely because they tried, in harmony with the mediæval temper, to regulate strictly the conditions of employment, but also on account of their penalties against giving alms to those "valiant beggars" who were able to work but preferred to stamp, and of the endeavour which they made to fix the price of provisions. By the latter attempt they softened, in spirit at least, the harshness of which they might be accused. In the veto on almsgiving they anticipated later legislation dealing with the undeserving poor.

### 7. They failed

The Statutes failed to achieve their aim. The forces with which they came into conflict were too powerful. To fix by legislation a "just price" was, indeed, a favourite object of the mediæval ruler. To establish by

the same means a "just wage" did not seem to be either novel or impossible, but, on the contrary, a promising method of checking a rise of prices. Nor could an attempt to determine wages by regulation, accompanied by an endeavour to settle the price of provisions, be deemed unjust, however oppressive were the penalties for breaches of the law imposed by the later severer Statutes. Before the Statutes, wages had, it seems, risen in a higher degree than the prices, which would chiefly concern the labourers' expenditure, and then demands might appear "extortionate." After the Statutes, the rise of prices was probably helped by certain changes made in the coins, which became less heavy in proportion to their size, and by the introduction of foreign money, which would aid in swelling the currency, in rendering it less valuable, and raising the prices of goods for which it was exchanged. The labourer, therefore, might now be the victim, as he had formerly perhaps been the agent, of "extortion." As a matter of fact, Thorold Rogers believes\* that average wages rose some fifty per cent. He thinks that the Statutes were generally evaded, and that recourse was had to such colourable pretences as those revealed in the bailiffs' rolls, where high figures were first entered, through which the pen was afterwards drawn, and lower figures were then put in their place.

### 8 "Stock and land" leases became common.

For town and for country alike the Statutes of Labourers had been intended. Saddlers and skinners, tailors, smiths and carpenters, were included in the proclamation of 1349. Carpenters, masons and plasterers, tilers, carriers and shoemakers, and other crafts-

\* "Six Centuries," p 287

men, were brought under the Statute of 1351. In the towns, it seems, the failure of the legislation was admitted, and the rise of wages was, willingly or unwillingly, allowed. In the country the situation was met in another way, and greater friction was caused. Before the Black Death the practice of letting land, whether it belonged to the demesne or had been taken from the waste, was not unknown, and money-rents were generally paid. Even the "stock and land leases," described by Thorold Rogers,\* had occasionally been given and taken. Under these the rent was measured, and treated, not as a money-commutation for service rendered before in labour, but as a proportion of the profit expected to arise from the cultivation of the land. In the last half of the fourteenth century such leases became common. The tenant rented the land with the necessary stock for working it, and at the close of his tenancy, which might last for seven or for ten years, he restored the stock or its value in money. Sometimes he was only liable to make the replacement if the losses incurred were usual, and were not caused by some exceptional calamity. In time he might substitute his own stock for that of his landlord; and thus the "stock-and-land" lease issued by a natural development, in the course of some seventy years, in the modern form of tenancy.† Under this the farmer possesses the stock with which the land is worked, and conducts the business of cultivation with capital which he controls, whether it belong to himself or be borrowed from a banker or some other source. The landlord supplies and maintains the buildings, and bears the expense of the permanent improvements. This practice of English landlords, in which they differ

\* "Six Centuries," p. 279, etc.

† *Ibid.*, p. 282

from Irish, may, perhaps, Thorold Rogers holds,\* be traced to the "habit of cultivating their own estates with their own capital, at their own risk," which at first prevailed. In any case, the tenant under the new "stock and land" lease, in spite of some important differences, might be regarded as a forerunner of the farmer of to-day, who works his land, and pays his rent, on commercial principles. On these grounds at any rate he might be distinguished from his predecessors. The great pressure resulting from the scarcity of labour after the Black Death stimulated the lords thus to seek relief in leasing their land, where they were able. The tenants would, for the most part, be content to cultivate it with the labour of themselves and their families, for which they need not pay high wages in a dear market. The landlord was freed from the difficulty of obtaining hired labour, working, as before, under his bailiff.

### 9 Disputes arose between the lords and the villeins

But leasing was not always possible, even where it was welcome. Most of the tenants placed in this new relation had probably been free labourers. The villeins remained, rendering services, partly in labour and partly in money. With the rise of prices the money did not go so far in the purchase of commodities, and among these might be included the instruments of agricultural production. With the scarcity of hired labour and the advance in wages, the interests of the lords inclined, where they had the choice, in the direction of obtaining services in actual labour in preference to money-payments. That the process of commutation should be arrested—and

\* "Six Centuries," p. 54

in the Eastern Counties, apparently, it had not yet gone very far—that services in labour should be rigidly exacted, that the lords should take advantage of any superiority that their status or control of documents might afford, that the manorial courts, where the issue was tried, should give them, and not the villeins, the benefit of the doubt where doubt existed, that the fines and disabilities which remained when services in labour had been commuted, such as restrictions on the marriage of a daughter or the education of a son, should appear to the villeins a more grievous burden than hitherto they had been, were consequences which naturally followed. They created or increased friction between lord and villein. Escapes of villeins to the towns became more frequent. The imposition, in 1380, of a poll-tax, which was specially heavy, to meet the expenses 1380 of a war that had lately been unfortunate and so mismanaged that it was attended by ravaging of the English coasts, fanned the smouldering embers of discontent. Its collection required and evoked strict and vexatious attention, repeated in a second inquiry, on the part of the collectors, whose duty it was to ascertain the amount of a man's possessions. The humbler clergy, whose tithes were often "impropriated" for the benefit of some great lord, encouraged the rising, and the exciting influence of the sermons of John Ball and the disturbing, stimulating teaching of Wycliffe and his followers, which, in spite of the scholastic language in which its socialistic leanings were expressed, 1381 may, by different channels, have reached the popular ear, combined to rouse fermenting grievance

\* Certain grievances are noticed in "Piers the Plowman," by William Langland

into open revolt. In 1381 the storm burst, and by its violence alarmed those in authority.\*

10 The Peasant Revolt did not abolish villeinage.

The Peasant Revolt was marked by the destruction of muniment rooms and by the burning of mills. These acts were significant. The former contained the documentary evidence of serfdom, the latter were visible tokens of the oppressive privileges of the lords, who compelled their dependants to grind their corn at their mills. The hopes and ambitions of the peasants were vaguely directed to freedom, when they were forced to substitute a specific demand for general discontent, they asked for the letting of land at moderate rates. The Revolt was, at first, attended by success. Manors were attacked, towns were invaded, and the safety of the capital itself was threatened by the bands, which came from the neighbouring counties. Those from Kent, where the peasants were, at least in theory, free, were led by Wat Tyler, and his death proved a serious blow. The bold and conciliatory address of the youthful king removed the danger. But, when the Revolt had been suppressed with a vigorous aim, the peasantry had not achieved their freedom, although the indirect influence on the minds and memories of those in power may ultimately have proved considerable. At the moment, however, Richard did not keep the promises which he made, and for this excuse might be sought in the violence of the peasants themselves, which roused the influential portion of the nation to crush them, and in the firm determination of the lords to preserve obligations, from which the King was unable, and Parliament was unwilling, to grant release. Services and disabilities continued. They dis-

\* Cf. G. M. Trevelyan, "England in the Age of Wycliffe."

appeared under the gradual influence of economic forces which produced slowly what the revolt failed at once to achieve. But Fitzherbert in the sixteenth century could still regret the existence of villeinage, and Elizabeth freed the villeins on the royal estates.

## II. Economic forces gradually accomplished this

When Fitzherbert wrote, the system of "convertible husbandry" was so far recognised that he knew its merits. That system followed a large conversion of arable into pasture, which was stimulated, not only by the developments of the woollen industry, but also by difficulty in obtaining labour. Pasture required far less labour than arable. The rise in wages made hired labour dearer, the reluctance and ill-will, which would naturally accompany the forced discharge of services by villeins, begat a disposition to avoid the need. By the close of the sixteenth century villeinage disappeared. During the fifteenth the change of arable into pasture steadily progressed. The manorial economy, in fact, was undermined. The growth of sheep-farming proved fatal to the open field system, under which the villeins, the free tenants, and sometimes also the lord himself, possessed holdings made up of small strips, dispersed in different places. In manufacturing industry the domestic system proved incompatible with the restrictive rules of the guilds. In agriculture the traditional routine of the manor gave way before the irresistible pressure of economic influences, and the same methods, which encountered and removed the obstacles of the open-field system, made it no longer of advantage to insist on forced labour.

**12 Inclosures were made.**

The change from arable to pasture meant inclosure. From 1170 to 1530 accordingly inclosures were made on an extensive scale. This period, like that which, later, stretched from 1760 to 1830, marked a stage of rapid movement in a process, which occupied in all upwards of four hundred years. The earlier, like the later period, accompanied and allowed developments of agricultural practice. But the permanent advantage of the whole nation was not incompatible with serious injury to special classes. The substitution of "several" for "champion" proved certainly of profit to arable as well as to pastoral farming. The energy of the individual could now be centred on a compact inclosed whole, instead of being distributed, and, it might be, dissipated, over many scattered fragments in open fields. He could pursue the course of cultivation, which he found most convenient to himself, and most suitable to his land, without interference caused by common rights of grazing, or a stipulated order of rotation. It is evident at least that the change from arable to pasture was not followed by the advance in the price of coin, which might have been expected.

**13 They often injured the villeins**

None the less the process of inclosure wrought injury to villeins in particular, and in general to the humbler classes of the community. During the reign of Elizabeth, when the movement was less rapid, such inferior interests met with more attention, and villeins might derive the advantage in cultivation which naturally resulted from union of their holdings. Even then smaller cottagers might suffer from the loss of employment, or the forfeiture of rights of pasture, which would follow the

inclosure of the waste and the extension of sheep-farming. But from 1450 to 1550 the position differed seriously from that which afterwards obtained from the middle to the end of the sixteenth century. At the last date indeed the inclosures ceased as a general movement, to be renewed again two centuries later, in obedience to the needs of agricultural science.

14. This was especially the case during the earlier period of the inclosures, 1450-1550.

Villeins were affected by the inclosures in various ways. The change of the demesne of the lord from arable to pasture curtailed employment. It injured the smaller tenants, who added to the scanty resources of their little holdings the help of occasional wages. Such a result followed, even when the demesne had been withdrawn before from the open fields, and gathered into a separate whole. If it were still mingled with the scattered holdings of the free tenants and the villeins, its inclosure would interfere with common cultivation, and might limit, or annul, the rights of common pasture on the stubble and the fallow. A similar result would follow the inclosure of their holdings by free tenants, but in this case, as in that of the lord's demesne, the only ground of grievance for the villeins would be interference with rights of pasture over fallow and stubble. It may be doubted whether their interests, protected as they might possibly be in legal theory, would, in actual practice, be consistently regarded. It is certain that the waste was extensively inclosed, and that this was felt to be a real grievance. The legal position here was less favourable to the preservation of the rights of the villeins. The Statute of Merton allowed the lord to incroach, if enough remained to meet the re-

quiements of the tenants. The burden of proof lay on their side, and not on his, and, while free tenants were expressly mentioned in the Statute, villeins were included by customary interpretation alone.

### 15 The legal position of the villeins was doubtful

Even from their own scattered holdings they were sometimes ousted. They might be ejected by the force, which overrode the law. Or they might be removed under various legal pretents. Fines for admission, which they could not pay, might be demanded, and the land might then be forfeit. Or leases, which were virtually tenancies at will, might be substituted for the tenure, which in legal theory was "precarious," but by custom was considered permanent. The custom itself arose but slowly. Villeinage, with a tenure dependent on the will of the lord, was gradually transformed into copyhold, under which a tenant was secured from eviction. The Black Death may have helped to fix the custom; for it made the lords more anxious to keep, than eager to expel, tenants bound to render then due of labour. The Yorkist kings, who encouraged the towns, and the humbler classes, may have favoured its judicial recognition. But even the new custom did not prevent the lords from resorting with success to older legal rights, when economic motives urged in this direction, and the doubts, surrounding the legal position, were such as to permit of a ruling by the courts injurious to the tenant.

### 16 Legislation was passed to check inclosures

There were, it is true, counties scarcely affected by inclosures, and there were others, where the amount was small. But there were also counties, such as Suffolk and Norfolk, Hertfordshire, Essex and Kent, Northamptonshire, Shropshire, Worcestershire and Leicestershire,

where inclosures took place over the greater part, if not the whole, of the district. The attention of the Legislature was attracted to the matter, and Commissions of Enquiry were appointed, and measures taken to check the evils. It is interesting to note that the Commission of 1517 followed, at no long interval, the 1517 time when Sir Thomas More, in his "Utopia," had spoken\* of sheep becoming so "great devoureers and so wyld, that they eate up, and swallow downe the very men them selfes. They consume, destiye and devoure whole fieldes, howses, and cities. For looke," he continues, "in what parts of the realme doth growe the fynest, and therefore dearest woll, there noblemen and gentlemen, yea, and certeyn Abbottes, . . . leave no grounde for tillage, theri inclose al into pastures thei thow doun houses, they plucke downe townes, and leave nothing standynge, but only the churche to be made a shepehowse." The encouragement of population was, it is true, an object kept in view by the Mercantile System as an essential condition of national power, and agriculture, and especially tillage, were favoured as a means to such an end. The Tudor sovereigns followed thus an example set by their predecessors in trying to check the destruction of houses, and to limit the acreage of land, which one individual might occupy, and the number of sheep, which he might possess. But such laws were evaded, and inclosure continued.

17. The break-up of the Manorial system took place.

Yet the woollen industry, which stimulated the inclosures, itself supplied to some extent the remedy for the distress that it was causing. The domestic system,

\* In the First Book

under which it was now being conducted, furnished a second occupation for the seasons, and the hours, when the labourer, and his family, could not pursue their agricultural work. The growth of the manufacture of cloth offered new opportunity for employment to those driven from farming to make room for sheep. The total influence of this industry was certainly remarkable. It was the first to discard the restrictive rules of the gilds in the towns, it helped to cause in the country the break-up of the manor. The modern world, in fact, with its fresh ideas and novel practices, was taking the place slowly, but surely, of the customs and institutions of the middle ages. They, or their ghosts, might linger, in some places for many a day, but the life was gone from them, and their influence was spent. The unaltering conditions of mediæval times, which were thus departing, have been regretted by some thinkers, troubled by the restless movements and bewildering uncertainties of the more modern age in which they live. But another view of the matter is also held. It has been eloquently expressed by Floude in the opening words of his "History of England from the Fall of Wolsey to the Death of Elizabeth." "In periods like the present," he writes, "when knowledge is every day extending, and the habits and thoughts of mankind are perpetually changing under the influence of new discoveries, it is no easy matter to throw ourselves back into a time in which for centuries the European world grew upon a single type, in which the forms of the father's thoughts were the forms of the son's, and the late descendant was occupied in treading into paths the footprints of his distant ancestors. So absolutely has change become

the law of our present condition, that it is identified with energy and moral health, to cease to change is to lose place in the great race, and to pass away from off the earth with the same convictions which we found when we entered it, is to have missed the best object for which we now seem to exist" Yet "to cease to change" was the cherished ideal of the middle ages

#### 18. Different opinions have been held about the economic conditions of the fifteenth century

A peculiar difference of opinion has arisen on the economic conditions of that fifteenth century in which, we have noted, both in manufacturing and in agricultural industry important revolutions were beginning. The century has been described by one writer\* as the "golden age of the English labourer"—as a time when he enjoyed a prosperity, a command of necessary commodities allowed by his wages and then prices, which he never reached again. Another writer† has painted the conditions of the people in the blackest colours, living in uncomfortable dwellings, looking on mean unsanitary surroundings, and visited by frequent pestilence and famine. It is possible that the unfavourable critic has placed excessive trust in the exaggerated accounts of certain years and places given by certain chroniclers. It seems probable that the sanguine observer has not paid enough attention to that general irregularity, and frequent interruption, of employment, which must have seriously diminished the annual average income gained even by the men, whose wages have been actually recorded by day or week or month. As we saw in the previous chapter, facts may be opposed to

\* Thorold Rogers

† Denton, in his "England in the Fifteenth Century"

facts, evidence must be compared with evidence." It cannot be denied that the material comforts of life have been supplied in greater fulness in the present age than they could have been four centuries before. It may be the case that something of certainty and independence has been yielded in exchange. At any rate, the whole period that we have been examining saw an eventful change. We may quote again the language of Froude who thus describes the sixteenth century. "A change," he writes,\* "was then coming upon the world, the meaning and direction of which even still is hidden from us, a change from era to era. The paths trodden by the footsteps of ages were broken up, old things were passing away, and the faith and life of ten centuries were dissolving like a dream. Chivalry was dying, the abbey and the castle were soon together to crumble into ruins, and all the forms, desires, beliefs, convictions of the old world were passing away, never to return" "In the fabric of habit in which they had so laboriously built for themselves, mankind were to remain no longer" "And now it is all gone—like an unsubstantial pageant faded, and between us and the old English there lies a gulf of mystery which the prose of the historian will never adequately bridge. They cannot come to us, and our imagination can but feebly penetrate to them"

\* "History," p. 61

## CHAPTER VII

### THE MERCANTILE SYSTEM AND THE OLD ECONOMICS

*(From the Tudors to the Georges )*

#### TRADE AND INDUSTRY IN ENGLAND

##### 1. The Tudor monarchy favoured the commercial and industrial classes

“The Tudor monarchy,” writes Mr. Goldwin Smith in his “Political History” of the “United Kingdom,”\* “rested on the middle classes, which, in spite of the Wars of the Roses, had been all the time gaining ground, and, being commercial and industrial, welcomed after the civil war a strong government, thinking less, for the time, of political liberty than of liberty to ply the loom, speed the plough, grow the wool, and spread the sail. A nation enriching itself in peace and submissive to the fatherly rule of a wise king 1485-1509 was the ideal of the first Tudor.” The practice of his son and successor, in reducing the amount of good metal contained in the coins, or debasing the currency, as it is called, departed from this ideal, and dealt a blow to the economic 1509-1547 welfare of the nation, and especially of the labouring classes, which was none the less deadly,

\* Cf. “The United Kingdom a Political History,” vol 1, p 289

because it was subtle. The pernicious example thus set by Henry VIII in the later years of his reign was followed at first by the ministers of 1547-1553 Edward VI. They also pursued, and extended, the policy of appropriating religious revenues, which, beginning with the monastic houses, was afterwards applied to the funds of the guilds, consecrated to such objects. This policy, indeed, was not responsible for the appearance of pauperism, or its accompanying evils, and the charity of the religious foundations may not, at any rate at the last, have been well or wisely bestowed, but it wrought destruction to an established order of affairs, and injury to those, who

depended on its continuance. The reign of 1558-1603 Elizabeth is as remarkable for the resolute wisdom of the measures taken by her and her counsellors in repairing great economic ills, as it deserves to be memorable for laying the foundations of maritime supremacy, and starting colonial "expansion." "The Queen poor, the realm exhausted, the nobility poor and decayed, good captains and soldiers wanting, the people out of order, justice not executed, all things dear, excesses in meat, diet, and apparel, divisions among ourselves; war with France, the French king besetting the realm, having one foot in Calais, and the other in Scotland, steadfast enemies, but no steadfast friends"\*\*—such was the legacy of trouble

1553-1558 which Elizabeth received from Mary, and her Recomage, her Statute of Apprentices, and her Poor Law, bear testimony no less to the greatness of the problems with which she dealt than to the ability, and statesmanship, shown in

\* Quoted by Froude, "History of England," vol. vii, p. 8

their handling. "A nation enriching itself" "under the fatherly rule" of a "wise" and "strong government" may justly be said to have been the economic "ideal" of the Elizabethan age.

2. The economic policy of the day was the "Mercantile System."

The assertion, with increasing emphasis, of the authority of the central government, entering the domain, and withdrawing the privileges, of local bodies, and replacing smaller interests by national considerations, was characteristic of the Tudor monarchy. In this it pursued a policy resembling that of Edward I and Edward III; and it lent its powerful co-operation to the overthrow of the old, narrow, rigid society, of which the *Manor* and the *Gild* were types. A strong government was now ready in their stead to guide the advance of commerce and industry. But the principles, which stimulated, and controlled economic activity in the days of the Tudors, differed from the liberal instincts inspiring an earlier national policy. That the Mercantile System was the right guide for a nation to follow in its economic conduct, even if individual wealth, or national plenty, were thereby sacrificed to national power, was a belief shared by the Tudors 1603-1688 with the Stuarts. It lasted through the Commonwealth, the Restoration, and the Revolution. It was one of the motives of the contest with Holland, and the later struggle with France, as well as the earlier quarrel with Spain. Amid civil commotion and political change it continued to prompt and direct economic policy in the sixteenth, seventeenth and eighteenth centuries. The principles of the system were briefly stated by Lord Bacon when he observed that Henry VII

“bowed” the “ancient policy of the realm” from “consideration of plenty to consideration of power” National power was the object sought, and it would be hard to prove that it was not the object reached, by the Mercantile System Adam Smith, whose criticism largely helped to sap and destroy its influence, justified an exception he was willing to allow to that freedom of trade, which he sought to put in its place, by the argument that “defence” was “of much more importance than opulence”\* The excuse thus made for the Act of Navigation, “the wisest of all the commercial regulations of England,” might be extended. For the economic policy of Edward III., aiming at plenty, had consulted the interest of the consumer, but the Mercantile System, on the other hand, at the cost, perhaps, of some “opulence,” sought the advantage of the producer, as a sign and condition of national power, and of ability to make a successful “defence” against foreign assault

3 National power, and not plenty, was the object sought

Power was maintained, and advanced, by the collection of treasure, by the increase of shipping, and by the growth of population All three were elements of national strength Treasure, which supplied the sinews of prompt and effective war, and was possessed in abundant measure by Spain, the enemy of England, might be secured by direct attention to the movements of the precious metals themselves into, and out of, the country, or might indirectly be obtained by managing the exports and imports of goods The early “bullionists” adopted the stricter attitude, the later “mercan-

\* Cf. “Wealth of Nations,” Book IV, chap. II

tilists" were distinguished by their broader views. Shipping, again, furnished the material for a powerful navy, the "first line of defence" of an island. Its development was the motive, which prompted Navigation Acts, reserving to English ships the privilege of carrying goods. For the same reason favouring attention was turned to the fishing industry, from which mariners could be supplied. Nor was a large and vigorous population less important an element of national power than treasure or ships. Tillage was encouraged because it provided the food, and preserved the health, of the people, to whom it offered larger opportunity of employment than its competitor, and supplanter, pasture. All these motives—the accumulation of treasure, the growth of shipping, and the maintenance and increase of the numbers and strength of the people—guided the regulation of trade and industry. With such objects in view new industries were introduced, old industries protected, commerce extended, probable rivals jealously excluded, actual competitors, if possible, injured. These were the main principles of the Mercantile System.

#### 4 The ideas of the Mercantile System were seen earlier (a) in attention to treasure

Its influence over the opinions and conduct of men declined before its theory was abandoned, or its practice reversed. For some time before it gave place to freedom of trade, its authority was growing less, and new ideas were taking shape. In the same way, although Henry VII might be credited with a fresh direction given to the "ancient policy" of the realm, the leading ideas of the Mercantile System had been expressed in the acts of previous rulers. Its beginnings may be seen

in the reign of Richard II., and traced, with increasing distinctness, under the Yorkist kings, who favoured the commercial and industrial classes then growing in wealth

and power. The Mercantile System, for instance, 1335 aimed at the accumulation of treasure. But 1339 Edward III provided in his day that no one should take silver or gold from the country without a license, and that every merchant should import 13s 4d in plate for every sack of wool that he exported. Although this provision might anticipate in the letter the principles of the Mercantile System, its immediate object perhaps was, not the collection of treasure, but the purity and abundance of the current coins. In the reign of Richard II. the former intention came more clearly into view, and the spirit, animating later "bullionists" and "mercantilists" respectively, was then revealed in combination. The first of these, as we shall see,\* sought to achieve their end by preventing the export of bullion, and the second would contrive, by a "favourable balance" of trade, to bring more precious metals into the country in payment for exports than they would allow to be taken away in exchange for imports. A mixture of such views 1381 may be traced in certain measures taken by Richard II. To prevent "desolation of the realm" no one was allowed to export gold or silver for any object but the payment of wages in fortresses beyond the seas. All other foreign obligations must be discharged by the export of goods. Half the value of the imports of foreigners was to be spent in the purchase of English exports, and this proportion was afterwards increased from a half to the whole. The condition

\* *Of* below, Chapter VIII

made later by Henry VI., that foreigners should furnish security that they would not export gold, and the stigma of felony, with its attendant penalties, 1428 placed on such action by Edward IV., were, it seems, intended to serve the double purpose of dealing with the currency difficulty caused by a scarcity of gold, and of avoiding the "impoverishing" 1478 of the realm. Henry VII., again, could be accused of no neglect in accumulating treasure, but his own subjects perhaps, more than foreigners, knew this to their cost, and his methods consisted of direct extraction of money from their pockets rather than of preventing the export of bullion, or compelling its import. His son displayed no less diligence in spending the treasure, which had been amassed, and, to replenish his exhausted stores, he tapped new sources of revenue in the funds of the monasteries.

5 They were also seen (b) in the development of shipping

The reign of Richard II., again, was noteworthy for the passing of the first Navigation Act. Its promise, however, was greater than its possible performance. According to its provisions no English subject was to ship merchandise going out of, or coming into, the realm in any but English ships, but a lack of ships compelled the speedy alteration of such exclusive employment into a preference, where it 1381 was possible. Henry IV and Henry VI tried, 1406 in vain, to organise the defence of the coasts.

Henry V. attempted to improve the construction of ships; but for the time at least the distinctive policy of the Navigation Act fell into disuse. Henry VII. indeed extended some favour to it, but Henry VIII

preferred, apparently, the revenue arising from licenses to use foreign ships His minister, Thomas <sup>1540</sup> Cromwell, reverted to the older laws, but

Edward VI consulted the wishes of those who wanted imported wine to be cheap, together with ~~woad~~, a material employed in the important cloth manufacture. In his reign the Navy, which had been improved under Henry VIII, grew less efficient. The establishment of a naval arsenal, and the incorporation of the Trinity House, to increase the provision for safe navigation, may serve to illustrate the active interest taken by the earlier king in shipping affairs. But even under <sup>1548</sup> Edward VI the fishing industry, a possible recruiting and training ground for sailors, was directly encouraged by maintaining, for political purposes, rules about fasting which had been discarded as superstitious by the new religious creed.

6 They were shown in (c) the encouragement of agriculture, and especially of tillage.

The contrast between the "ancient policy" of national plenty and the fresh policy of national power was also shown by the attitude of successive governments towards the export of corn. Edward III., in the interests of plenty, forbade the export to any place but <sup>1394</sup> Calais or Gascony. Richard II., on the contrary, allowed free export except to his enemies. In practice this permission may have proved unimportant, but the change in policy was certainly noteworthy.

The Statute was confirmed by Henry VI., and Edward IV. went yet further in encouraging agriculture, when he forbade the entry of foreign corn, unless the price in the port, to which it came, was above 6s 8d the quarter. The promotion of

tillage as a means of maintaining the numbers, and preserving the vigour, of the people was evident, not only in attempts like these to raise the price of corn, but in the constant endeavours, vainly made, to check the growth of sheep-farms and the destruction of dwellings

7 They were seen (d) in various other regulations

In advancing these three main objects—the collection of treasure, the development of shipping, and the increase of tillage—the leading ideas of the Mercantile System were recognised from the reign of Richard II. onwards. The encouragement of native industry, and a strong, numerous population, by forbidding the import of finished goods, and assisting their export, and by favouring the import of the necessary materials, and discouraging their export, was a method of adding to power, and amassing treasure, which met with increasing approval in later times. It was then illustrated in the silk and the woollen-industries, but it had been actively pursued by the Yorkist kings. The development of foreign commerce was seen in a keen continuous rivalry between the English Merchant Adventurers and the German Hansaids, whose monopoly of trade in the Baltic was first threatened, and then successfully assailed. The privileged position of the Hanse in London itself was attacked in retaliation for burdens, stated by English traders to be laid on them abroad; and, although the Hanse merchants secured special rights from Edward IV. in return for aid they had given him, these were withdrawn by Edward VI. By the time of Elizabeth, who confirmed their withdrawal, the "Steelyard," their favoured settlement for many centuries, had lost its importance. Florentine bankers, again—including the

1 Bairdi and others—had carried on a considerable business in London in the reign of Edward III, and lost 1345 heavily on the loans they made to him. From an early time they exported wool to Italy, and arranged, with other Italian traders, for the transmission, in goods, of the papal revenues. With the lapse of time their importance declined. Nor were they the only Italians engaged in commerce with England. The Genoese brought arms, and alum, and woad, and other materials employed in the manufacture of cloth. The Venetian fleet came year by year to Southampton, bringing spices, and drugs, and articles of luxury. But the influence of the new ideas was seen in the increasing jealousy with which such foreign traders were regarded. The Venetians were received with less favour because the goods, which they brought, were not, like those of the

Genoese, of direct assistance to English industry.

1587 In the reign of Elizabeth, when the old routes to the East had been closed, and the marvellous "Queen of the Adriatic" was losing her great commercial position, the Venetian fleet ceased to pay its annual visit.

8 In the reign of Elizabeth the influence of the System was very marked. But agricultural progress was slow.

In this famous reign, Dr Cunningham has said,\* the "whole" policy of the Mercantile System was "worked out in a complete and systematic form." Favour shown to the fishing industry aided the growth of power on the sea. With the same object the sowing of hemp was encouraged, and a change, in the direction of greater

\* "Growth of English Industry and Commerce in Modern Times," p 16

freedom, was made in the restrictions placed in the previous reign of Mary on the export of coin. This was avowedly intended "for the maintenance and increase of the mariners of this realm" as well as the "better increase of tillage." But tillage ~~continued~~ to receive the support of special legislation against inclosure and pasture. Towards the end of the sixteenth century, 1592 indeed, the abundance of grain, and its reasonable price, seemed to show that the evil was cured, but the experience, which resulted from suspending the veto, caused its renewal some five years later. Greater freedom, however, was now allowed. The continued keeping of land under the plough was not to prevent a convenient course of husbandry, or an occasional change to grass, to enable the land to recover its strength. Yet in this, as in other cases, the steady pressure of economic forces effected in the end the cure which prohibition by the law had been invoked to force. The price of wool fell rather than rose in the seventeenth century, and the price of coin increased. The conversion of tillage to pasture, which had reached the dimensions of a social calamity under Henry VIII and Edward VI, shrank to harmless proportions. In the middle of the eighteenth century, as we shall see in another chapter,\* the process of inclosure was again resumed on a large scale, but the object sought was, not the formation of sheep farms for the growth of wool, but the opportunity of applying to practice the teaching of improved agricultural knowledge. In the interval between the two periods the drainage of the fens, and the introduction of turnips and clover, were the most notable incidents of a slow agricultural development, which prepared the

\* Cf. below, Chapter IX.

way for later changes. Hops, indeed, were cultivated in the reign of Henry VIII, but Fitzherbert and Tusser, who represented the high-level of the knowledge of the sixteenth century, and wrote, 1523 the one in the first, and the other in the last, 1573 quarter of the century, were ignorant of clover and artificial glasses, were unacquainted with the merits of turnips, thought lightly of the virtues of manure, and failed to recognise, if they knew, the possibilities of drainage. They both, however, approved of inclosures. Then successors in the seventeenth century, Haith and Blith, advanced a stage further. The latter 1649 dealt ably and persuasively with the subject of 1650 drainage, the former urged the use of roots and of clover. During the same period the revival of gardening marked the recovery of what had almost become a lost art. Towards the close of the 1688 century the bounty on the export of corn, which was then granted, and continued, with brief suspensions, during the next century, gave a new stimulus to arable farming.

9 That of manufacturing industry was also slow before the middle of the eighteenth century.

It is curious to note that the successful drainage of the fens was accomplished by the Dutch, and the policy, of which this was one example, of starting new, or improving old, industries by the help of foreign immigrants, was regarded with favour, and attended by success, under the Mercantile System. In the reign of Elizabeth, Flemish weavers, driven from their country by Alva, came in considerable numbers, and settled in various towns. They brought a knowledge of the finer qualities of cloth. They introduced the "new drapery,"

as their predecessors in the reign of Edward III. had developed the "old." They enabled then adopted country to secure a pre-eminence of the woollen industry. The revocation, in 1685, of the Edict of Nantes by Louis XIV., like the religious persecutions of Alva in the previous century, caused the flight to England of a large number of foreign immigrants. The Huguenot refugees, who thus came at the close of the seventeenth, and the opening of the eighteenth century, were apparently welcome. They exerted a notable influence on the growth of the silk industry, but their activity was not seen in that trade alone. In the manufacture of linen, in calico-printing, in the production of sail-cloth and of paper, they occupied an important place. Yet in manufacturing industry as a whole, as in agriculture, the period before the changes of the eighteenth century, which we shall study in a later chapter,\* was a time of slow preparation rather than of great achievement. Home industry was indeed encouraged by forbidding the import of finished goods, and the export of raw materials. The use of English articles by English subjects was enforced by authority. Elizabeth insisted on the wearing of English caps on Sundays and Holy-days. Under Charles II. an Act was passed providing for burial in woollen shrouds, and the Scotch linen industry was, in 1686, similarly encouraged by an "Act for Buying in Scots linen." The export of wool was stopped, and the import of silk was allowed, because both were materials for English manufactures, and the one was produced in the country itself, while the other was obtained from

\* Cf. below, Chapter IX.

abroad. In the reign of Elizabeth the invention of the stocking-frame by William Lee was a notable 1589 event in the history of industrial discovery, and eventually brought into active being an industry, which early in the eighteenth century was so important as to attract the notice of Parliament. But the inventor himself shared the fate of many of his successors, and was regarded with any but friendly feelings by the public, or the government, of his day. Until the time when the "industrial revolution" of the eighteenth century saw the successful smelting of iron by coal, the dearness of wood proved a serious obstacle to the growth of an iron industry. Experiments were made in the reign of James I. with some success by Dudley in smelting by coal, but pig-iron was imported from abroad, in spite of the abundance of ore, which existed in England, awaiting employment. Coal, indeed, had been obtained in some districts of the country from early times, and was used for domestic consumption. But it was not employed for manufacturing purposes, or extracted from the mines, to any large extent, before the introduction of improved raising machinery, the discovery and application of steam as a source of motive power, and the changes made in the smelting of iron. Even the woollen industry, with the deliberate encouragement which it continuously received, was scarcely making progress in the century before the "industrial revolution."

10 Monopolies were frequently granted under the Mercantile System.

During the predominance of the Mercantile System the management of internal trade, and the conduct of external commerce, were often trusted to monopolists enjoying exclusive rights of manufacture or sale. Com-

panies were organised afresh in the place of the craft-gilds, which were dying, or dead. In some cases they were invested with the ancient function of guarding the quality of goods; but this could be less thoroughly discharged, when the governing body represented many trades combined, and did not consist simply of the craftsmen of a single industry, possessing actual knowledge of the personal character of the producers and the details of production. The companies lasted through the seventeenth century, and lingered in the eighteenth. But the office, which they filled more effectively, as protectors of the freemen from the intrusion of strangers, sank in importance as the favour of the Government, or the public, was extended to Protestant immigrants. Patents and monopolies were granted also to private individuals. They were sometimes a stimulus to a desirable industry, protecting the originators from trespass on their rights. But, when they had served this legitimate purpose, they might remain to cripple development. They might hinder improvement. They might injure consumers by raising the prices of goods. Yet the regulation of industry accorded with the spirit of the times; and public policy might sometimes be urged in defence of monopoly. The monopoly of saltpetre was justified by the need of commanding a sufficient supply of gunpowder. The patent for ale-houses might be maintained on grounds of public morality. The manufacture of gold thread might be regulated by the Crown from a fear of exhausting the treasure of the realm. Such control might indeed be employed, as the Stuarts discovered, as a means of replenishing empty purses, but the opposition to monopolies dates back to a time when they produced no

great revenue for the Crown. Even then they might be used to reward loyal courtiers at the expense of the public, and they certainly roused effective hostility in the reign of Elizabeth, who could more justly be charged with parsimony than extravagance.

### II They were condemned by Parliament

In the reign of James I the Statute of Monopolies was passed, and, with certain exceptions, of 1624 which new inventions, and the privileges of trading companies, were perhaps the most important, the grant of a right of exclusive trading was pronounced an abuse of the royal prerogative. When Charles I, like his father, violated the Statute, the economic motive of preventing extortion, and permitting improvement, was strengthened by the addition of the political aim of controlling the royal revenues. The quarrel, in fact, of the king with the Parliament arose largely from his wish to escape the restraint of dependence on Parliamentary grants. The attempt, made famous by its consequences, to levy "slip-money," was due to such a motive. But the introduction of a regular excise under the Commonwealth and the Restoration removed a possible plea, which might be urged by any government, for tapping an important source of revenue. It was no longer necessary for the State to retain in its own hands, or to bestow on others in return for payment, a monopoly of manufacture or sale in some profitable trade. Under Charles II the royal revenues were also placed on a more permanent and satisfactory footing. For the old feudal dues and rights, including those of purchase and "purveyance," a grant was made to the king and his successors of an "hereditary excise," and, in addition, of a temporary excise to the king for his

own life. The "hereditary excise" formed a portion of the taxation on beer and liquors, and on tea and coffee. "Tunnage and poundage" from the "customs," the monopoly of the Post-Office, and "hearth-money" (or a tax on houses) made up the annual sum required, and were supplemented by special "subsidies" in special emergencies. Thus the excuse for making grants of exclusive trading privileges was withdrawn, and, if they were given, they might be bestowed for reasons of which the public did not disapprove.

## 12. The Statute of Apprentices was an important measure of the reign.

The regulation of trade and industry was recognised as a general principle. It was conspicuous in the important Elizabethan legislation on labour. That legislation still maintained its hold, when, two centuries later, economic conditions were being transformed. When, at the close of the eighteenth century, the old order of industry gave place to the new, a remedy favoured by the workmen for the troubles from which they were suffering was found in the provisions of the Elizabethan Statute of Apprentices \*. That 1563 famous statute included in a comprehensive scheme regulations approved by previous experience. Its apprenticeship clauses were, it seems, really intended to check departure from a rule, which had become an established custom, and had been recognised and enforced by the guilds. The duration of apprenticeship was fixed for manufacturing industry. The proportion of apprentices to journeymen was settled, and the classes determined from which, in different trades, they might be obtained. Such regulations were, it seems, brought

\* Cf. below, Chapter IX

forward in no opposition, either to the public welfare, as it then appeared, or to the spirit of the times. They might be intended, not only to provide for an adequate training for work, but also to prevent a want of employment. Not were an obligation to accept offers of work, and a prohibition of dismissal or retinement from service before the end of the period of engagement, which was commonly fixed at a year, in conflict with older enactments. They would, on the contrary, tend to promote a desirable permanence in social relations, and Statutes of Labourers, from the time of the Black Death onwards, had sought similar objects.

### 13 Its wages clauses did not introduce a new practice

The Statutes of Labourers had also tried to settle the wages of labour, and the Statute of Apprentices renewed the attempt. But it endeavoured, in harmony with a tendency characteristic of much of the Elizabethan legislation, to allow some elasticity, where before it was scarcely permitted. The Statutes of Labourers of Edward III, as we saw, ordered the payment of the old wages, coupling with this a provision for reasonable prices. In the reign of Richard II, in 1388,

1388 the wages of different labourers were definitely 1423 fixed. In 1423 the justices of the peace were 1444 directed to proclaim the proper rates. In 1444 maximum rates were settled, though lower rates might be paid, and the figures named, which were twice those of 1388, evidently had been raised, as the 1495 altered circumstances demanded. In 1495 similar 1514 provision was made, but the rates were not higher than those fixed fifty years previously, and the Act was repealed in the following year. In 1514

another Act was passed, and in the next year a special exemption was made of London, where it was, it seems, impossible to enforce the Act on account of the price of lodging and food. In 1548 a law was directed against combinations of labourers, 1548 trying to obtain their own terms. The famous Statute of Elizabeth had recourse to a more elastic method. In the summer of every year the justices of the peace were to take counsel on the "plenty or scarcity of the time and other circumstances necessary to be considered," and to settle wages, reserving liberty to revise, six weeks later, the rates, which they had fixed. In intention, at least, the Statute was elastic, and permitted a wide discretion. The language of the preamble has been held to show that its purpose was to raise rather than lower wages.

14. The actual effect of these clauses has been disputed

The actual effect of these wages clauses has been disputed. Forty-seven assessments of wages at least are known, the earliest of which dates from the year 1562, and the latest from 1727. These assessments belong to various districts of the country, and from a comparison with average wages, which have been noted, and evidence given at trials of offences against the labour laws recorded during the latter part of the sixteenth and the first half of the seventeenth century, Professor Hewins, in his "English Trade and Finance, chiefly in the Seventeenth Century,"\* drew the conclusion that, "generally speaking, the Justices' rates were actually paid." Dr Cunningham, on the other hand, has urged†

\* P 85, and also *Economic Journal*, viii, p 340, etc

† *Of Economic Journal*, iv, p 514

that the assessments, though made, were only occasionally enforced. Evidence has been recently discovered, in favour of the former view, in the archives of the Corporation of London \* There are signs of a practice followed continuously for a considerable period in that important city, and an absence of assessments in the county generally, it has been suggested, may be due to omission to enter them regularly in certain records, even when they were made and enforced. A further question arises whether the Statute can be held responsible for the oppression, or misfortune, of the labourer. Thorold Rogers regards it as an engine of great injustice. Its possibilities, if enforced, were certainly considerable and a neglect of then duties by the justices might tend to oppression, if they permitted wages lower than the rates assessed, or forbore to make the new assessments required by changing circumstance. On the other hand, as Dr Cunningham has contended,† the rise of prices, following the entry into England in the sixteenth and seventeenth centuries of the new silver from America, was marked by a rapidity and magnitude which would not enter into ordinary calculation, and, whether wages were assessed or not, or the assessments recognised or not, they were not unlikely to fall behind the rise of prices. As a matter of fact, certain evidence‡ shows that, taking the seventeenth century as one period, the com-

\* Cf. Miss E. McArthur, in the *English Historical Review*, July, 1900.

† "Six Centuries," p. 398.

‡ "Growth of English Industry," p. 43.

§ Professor Hewins points out ("English Trade and Finance," pp. 89-94) that the evidence quoted in the text refers only to certain districts, and does not take account of a loss, probably serious, arising from irregular employment.

mand of commodities by the labourer seems to have diminished and his standard of living to have fallen. In the first half of the eighteenth he appears, once more, to have enjoyed comparative prosperity.

15 The Elizabethan Poor Law was based on past experience.

The Elizabethan poor law, like the Statute of Apprentices, was a comprehensive measure based on experience —on the efforts of the municipal authorities in previous centuries, but especially in the sixteenth, and on successive experiments tried by the national legislature from 1536 onwards. The early Statutes of Labourers attempted, by severe penalties, to check the increase of "valiant beggars", but, with the lapse of time, the "impotent poor" began to attract attention, and clauses dealing with them were inserted in the measures passed. Like the able-bodied, they were directed, 1388 failing relief in their present abode, to go to their proper place of dwelling, and there remain. The Act of 1388, ordering this, was followed by other statutes of a similar character. In the sixteenth century the dissolution of the monasteries by Henry VIII., and 1536 the appropriation of the religious foundations of 1539 the gilds by Edward VI., called fresh attention 1547 to the matter. The confiscation of the religious property of the gilds did not indeed touch revenues, which might be bestowed in charity on poorer members or their relations; and the monasteries may have encouraged professional beggars, and failed to relieve the honest poor. Yet their dissolution widened the scope of an agricultural change, which injured the labouring classes by supplanting men by sheep. Chances of employment were removed. Inclosure brought the loss

of rights of common, and perhaps the forfeiture of holdings. Such alterations might, it is true, have occurred in any case on ecclesiastical as well as private property; but probably they would have been more gradual. At least, the general agricultural movement, combined with the developments of manufacturing industry, which offered the uncertainties of a larger market in exchange for the steady demand of the immediate neighbourhood, increased the volume of distress and

poverty. A series of bad harvests preceded the 1536 passing, in 1536, of a new poor law. In this systematic provision was made both for the employment of the able-bodied, and for the relief of the impotent, through the officials of the towns and villages. Alms were to be collected by the Churchwardens on Sundays and festivals. "Valiant beggars" were to be helped on their way to their proper home, when they had furnished testimonials that they had been duly whipped. The "impotent" were no longer to beg. Poor children were to be placed in service. Indiscriminate private almsgiving was forbidden. This important law, it should be noted, was passed in the year, in which the smaller monasteries were suppressed, and the larger did not suffer this fate till three years later. The evils, therefore, with which it dealt, preceded, and did not follow, their dissolution.

16 It was ably and comprehensively conceived. "The several provisions of this comprehensive statute," remarks Sir George Nicholls in his "History of the English Poor Law,"\* "seem in fact to have been 1547 the foundation" of what was afterwards completed. The principles of the law of 1536 were, in effect, the principles of the "Elizabethan Poor

\* Part I, chap. iii

Law." In 1547 penalties against "valiant beggars" were made especially severe. Slavery for a time, or for life, and branding with a V or S,\* were ordered, but the law was repealed in the succeeding year.

In 1552 collectors were appointed to "gently ask" parishioners for systematic gifts. If anyone refused, he was to be exhorted by the parson, or admonished by the bishop. If the bishop failed, the justices of the peace might, by an act of ten years later, tax at their discretion the obstinate refuser. Ten years later still they were directed to make, of their own motion, the necessary assessment upon all. They were to arrange for the collection of the tax, and, if required, for contributions from elsewhere, and for the appointment of "overseers" of the poor. Convenient dwellings were to be provided for the "impotent," and the surplus remaining when they had been relieved, was to be used in making vagrants work. In 1576, by a statute of that year, "houses of correction" were to be established, and stores of hemp, flax, iron, wool, and other material supplied, on which pauper labour might be set to work. Before 1597, it would seem, these houses had either not been built, or had been put down, but in that year fresh provision, repeated in the reign of James I., was made for their erection. In the same year compulsory contribution to poor relief was enforced by distraint of goods.

Finally, in 1601, the famous Act of the forty-third year of Elizabeth was passed, consolidating previous acts in one comprehensive measure, improving the details of their machinery, and allowing, definitely,

\* V=vagrant, S=slave

a "rate in aid" of excess of poverty, or lack of means to relieve the poor, in any particular locality. The Act, as Dr. Cunningham has said,\* was designed to "provide work for those who could work, relief for those who could not, and punishment for those who would not." Although the first of these three objects was not realised in later practice, the Act itself was comprehensively conceived. "So complete" were its "chief provisions," writes Sir George Nicholls,† "that they stand entire, and constitute the basis of the law at the present day." "It was not the result of a sudden thought or a single effort, but was gradually framed upon the sure ground of experience." It was, as Miss Leonard has lately shown, in her "Early History of English Poor Relief," enforced before the Civil War by the repeated issue of Orders of the Privy Council to the Justices of the Peace. This was in keeping with the exaltation of the personal authority of the king, which Tudors and Stuarts favoured. It extended to the actual provision of "work for those who could work." It served to perpetuate the Poor Law as an institution, which in England gained a permanence unknown elsewhere.

17 The Law of Settlement was an important Act, passed later

In the seventeenth century, partly, perhaps, in consequence of the Elizabethan Law, pauperism seems to have been less serious an evil, and the disturbance of the Civil War did not produce the effects which might have been expected. The Law of Settlement, 1662 however, passed in 1662, was of no small importance. Adam Smith described it in a well-known passage of his "Wealth of Nations"‡ as

\* "Growth of English Industry," p. 61.

† "History of English Poor Law," Part I, chap. iv.

‡ Book I, chap. x.

"ill-contrived," and joined it with the "statute of apprenticeship" and the "exclusive privileges of corporations" as vexatious obstacles to "natural liberty" hindering the "free circulation of labour." The apprenticeship clauses of the statute\* applied only to trades in existence before it was passed, and to market-towns. They may have been intended to afford, by giving greater liberty, encouragement to agriculture. The "exclusive privileges of corporations" did not affect the country districts. But in 1776 Adam Smith wrote that there was "scarcely a poor man in England of forty years of age" who had "not in some part of his life felt himself most cruelly oppressed" by the law of settlement. Yet the law might be evaded; and it may have been conceived in a different spirit from that which marked its later history. It might be described as providing for the discharge by public authority of a function previously fulfilled by a lord when he recovered, and removed, a serf who had run away. The suggestion of making the law seems to have come especially from London, where men were afraid of an excessive population, and it aimed at the redress of inequality in the burden of the poor. Responsibility was to be brought home by a clearer definition of the individuals for whose relief a particular place was liable. A "settlement," which entitled to assistance, could only be obtained by fulfilling certain specified conditions.

18 Adam Smith traced the changes in its provisions.

Adam Smith has traced the changes made successively

\* The wages clauses had been extended to all labourers in the reign of James I., but, in 1776, Adam Smith remarks, they had "gone entirely into disuse."

in these conditions. The law originally required undisturbed residence for forty days. Within that time a new inhabitant might be removed to his last legal parish, unless he occupied a tenement rented at £10 a

year, or could give security that he would not 1685 prove a burden in his new abode. In the reign

of James II the forty days were reckoned from the time, when notice in writing of the place of dwelling, and the number of the family, had been given to the

overseers or churchwardens. In the reign of 1691 William III the notice was to be published in

church, and so prohibitive was this condition thought that four different modes of gaining a settlement without notice were allowed. The payment of parish rates was one, another was the election to a parish office and its tenure for a year, a continued hiring for the same period was a third, and a fourth was the serving of an apprenticeship. These alternatives, Adam Smith contended, were concessions in appearance, not in reality. In the course of the next five years they

were withdrawn, and the "invention of certificates" took their place. The production of

a certificate from his previous parish allowed an individual to stay undisturbed in another place until he was actually chargeable upon the rates. He would then be removed at the expense of his former parish. Thus, Adam Smith concluded, as the result of the law, it was "often more difficult for a poor man to pass the artificial boundary of a parish than an arm of the sea,

or a ridge of high mountains." At the end of 1795 the eighteenth century an Act was passed, which,

by extending the provision about removal made in connection with the "certificates," relieved the pres-

sure of the law. In the early part, however, of that century the destruction of cottages was a policy avowedly adopted to avoid a possible burden on the rates. As the century advanced towards its close the agricultural and industrial "revolution," which took place, was partly responsible for an increase of the evils of pauperism until it reached an alarming magnitude \*

19. The reformation of the currency was the third great economic measure of Elizabeth

The third great economic measure of the Elizabethan age was the reformation of the currency. To the debasements of the Queen's predecessors—her father and her brother—the misfortunes, which the labourer suffered in the sixteenth century, were partly due; and retracing of the steps along that slippery road needed wisdom no less than resolution. It was true that the recoinage, carried to a successful end by Elizabeth in 1561, resulted, on the whole, in a profit for the Crown, and that the accompanying loss fell on the people. It was also true that the ministers of Edward VI., in the last year of his reign, had planned, and partly executed, a bold, considered scheme. In his "Treatise on the Coins of the Realm," Lord Liverpool maintains that this plan was in some respects superior to that of Elizabeth, but during the intervening reign of Mary the question had been left untouched. Elizabeth found in existence both a gold and a silver coinage, but it was only with the latter that she dealt, for silver was the metal in general circulation.

20. Silver was the metal in general use, and gold was "rated" to it, causing certain difficulties

From William I to Edward I the silver *penny* had

\* Cf. below, Chapter IX.

been the current coin. *Half-pence* and *farthings* were also introduced; and Edward I, who diminished slightly the weight of the silver money, coined *groats* of the value of four pence, which were not current till later. Henry III attempted, in vain, to issue pennies of gold, but Edward III, after an experiment of a common gold coinage with Flanders, provided new coins of his own, and, among them, gold *nobles*. He considerably decreased the weight of the coins he issued, at various times. The gold was given a certain value in relation to the silver, but in a period when the precious metals were scarce every nation was anxious to secure and keep a sufficient quantity for its own needs, and constant difficulties arose from differences of the rates between the metals observed in different countries. A change in rates might attract the one or the other metal from the country, where it was rated lower in comparison, to a country, where a higher value was placed upon it. This was a natural consequence of self-interest, but it caused annoyance and perplexity. In the uncertain knowledge of such a force, and its insidious working, some explanation may be found of restrictions on exporting bullion, and of difficulties which occurred from time to time. The control of these rates was, as Mr Shaw has shown in his "History of Currency," a matter of financial and political importance. The alterations made in the weight of the silver coins, and the raising of the value of the gold, by different sovereigns from Edward III onwards, may have been due to an imperfect understanding of the real situation. The regulation of the business of exchange by the State, and the institution of a royal official for the purpose,

point to some such difficulties. They are reflected on the pages of different writers.\* Nor did they cease with the recoinage of Elizabeth, or even with that made a century and a half later by William III. Between the two recoinages the free play of market influences had been substituted for regulation of the rates, although in practice this freedom was not always 1666 recognised. Gratuitous coinage, for which no charge was made, had also been adopted in place of the varying seigniorage, which had before been taken, and had only been abandoned for a time by Elizabeth, and, previously, by Henry V, when they recoinaged, in the earlier case, the gold, and in the later, the defective silver. But, despite of these important changes, the difficulties of the rates recurred. The disadvantages of the situation were increased when faulty foreign coin, or clipped and worn coin of the country itself, made an entry, or retained a position, in the currency, and good coin of full weight and fineness went abroad. The worse coin might legally fulfil the purpose of purchasing commodities in the place where it possessed a legal value, but it would be taken at its real metallic worth when, withdrawn from the currency, it was used for other objects. The irresistible temptation of self-interest would lead to the selection, and removal, of the better coins for export, and the worse would be retained for circulation in the country. The operation of this powerful motive afterwards received the name of "Gresham's Law," which was shortly expressed in the statement that "bad money drives out good." Sir

\* E.g., in the controversy in the seventeenth century between Misselden and Malynes, who in his "Treatise on the Canker of England's Commonwealth," contended that the exchange should be controlled.

Thomas Gresham, from whom the name was taken, advised Elizabeth on monetary and financial matters, and, among these, on the recoinage.

## 21 The debasement of the currency exerted in addition a mischievous influence

The debasement of the currency was a needless mischievous addition to such troubles. Although the weight of the silver coins had been successively reduced by Edward III and others, the fineness of the metal had been preserved. The pound of silver at first, when the pound in "tale"<sup>\*</sup> was equal to the pound in weight, was coined into twenty shillings and two hundred and forty pence. The penny was thus equal to the penny-weight. It was now coined into as many as forty-five shillings. The earlier measures of Henry VIII, and perhaps even those taken as late as 1543, might be regarded as an attempt to meet the difficulties, which

we have noted in connection with the rating of 1545 the metals. But from 1545 onwards a deliberate debasement of the currency was begun, and was continued. "Various and violent proceedings," as Lord Liverpool described them, then took place. The silver testoon, or shilling, first coined by Henry VII, but not common before Henry VIII, was reduced in value. A proportion of ten ounces of silver to two of alloy was altered by degrees to one of four ounces of silver to eight of alloy. In 1550, in the reign of Edward VI, who first coined sixpennies and threepennies, the quantity of alloy was further increased to nine, and the quantity of fine silver was reduced to three. Such debasement formed an easy, but disastrous, mode of raising revenue. It was, in

\* *I e*, by counting, or reckoning

effect, a forced loan, taken without security for repayment, and never before or after did English sovereigns use this dangerous expedient. "All commerce was nearly at a stand" in consequence. A rise of prices, and an uncertainty of business, were evils which ensued. That their appearance was delayed, and that they were not greater in degree, may have been due partly to the lavish use of the precious metals for the adorning of the dress or person. This occasioned a demand, which diminished the amount available for coinage. It made the metals more scarce. It made the prices of commodities lower. The resistance offered to all change and movement by the social and industrial arrangements of the times, and, possibly, the hoards amassed by Henry VII., and dissipated by his son, may have delayed, or checked, the rise of prices. But that the evils caused were sensible and serious is shown by many loud complaints. Such complaints were echoed in the Sermons of Bishop Latimer. They are reflected on the pages of the "Discourse on the Common Weal of this Realm of England," written in 1549 by W S 1549. In this dialogue, in which Latimer himself was supposed to bear a share, one speaker remarks "I think the alteration of the coin to be the first original cause that strangers first sell their wares dearer to us, and that makes all farmers and tenants that reareth any commodity again to sell the same dearer, the dearth thereof makes the gentlemen to raise their rents."

22 The recoinage was successfully accomplished by Elizabeth.

One of the earliest acts of Elizabeth was an endeavour to complete the work begun by Edward VI., and not continued, and to correct the bad condition of the cur-

rency. Like her predecessors, she reduced the weight of the silver coins, for the pound was coined into sixty shillings in the year of the recoinage, and into no less than sixty-two towards the close of her reign. At this point it afterwards remained. But she restored the standard of fineness of the metal from the debased condition into which it had been brought. Silver, as we noticed, was the current coin, and to it alone attention was directed. With the lapse of time, and the growth in the scale of business, the coin in general use had increased from the *penny* to the *shilling* or *testoon*. In the reign of Henry VIII *crowns* were coined, which became current in the reign of Mary, when *half-crowns* were also coined. The circulation of gold, on the other hand, was small. Edward III coined gold *nobles*, worth six shillings and eightpence, and also *half* and *quarter nobles*. Edward IV issued *angels* of the same value as the old nobles, and raised the value of the noble, then called a *rial*, or *rose noble*, to ten shillings. Henry VII introduced the *sovereign*, or *double rial*, of twenty shillings. Henry VIII, following the common practice, raised the value of the existing nobles, and coined *crowns* and *george nobles*. Edward VI raised the value of sovereigns, rials and angels. Such had been the history of the coinage before the commencement of the reign of Elizabeth. She "called down" the debased silver in circulation to its real value, and issued from the mint new coinage of the old standard. Coins peculiarly debased, containing three ounces only of pure silver, were at once to lose currency, and a short period was allowed for them to be presented at the mint, where they were taken at their real bullion value. Coins, which had suffered less debasement, continued for a

time to be current, but a mark was placed upon them to show their real value. In their turn they were withdrawn, and new standard coin was substituted, and for a certain period a premium was allowed on large quantities of the old defective coins presented at the mint. The recoinage was carried through without delay and with success, though some miscalculation was unfortunately made. For her services the Queen received thanks in her lifetime, and after her death her action in the matter was commemorated on her tomb.

### 23 It did not fulfil all expectations.

Yet the recoinage did not reduce high prices. Such a hope was formed, but the opposing forces proved too powerful. The discovery of America at the close of the fifteenth century was followed by the entrance into Europe of silver issuing in abundant output from the mines of Mexico and Peru, and, in especial richness, from the deposits of Potosí. The silver found its way at first to Spain, and then passed to the Netherlands by the channels of trading intercourse. It did not enter into England until the reformation of the currency. 1570 removed the hindrance of debased conditions; and it caused then, between 1570 and 1640, an increase of prices, amounting at least to two or even three hundred per cent. This advance applied a stimulus to commercial and industrial development. It rendered possible the more rapid growth of capital, and its easier movement from one employment to another. But it changed industrial relations. It injured the labourer whose wages failed to rise with the same rapidity as the prices of the goods he bought. It added to the financial difficulties of Elizabeth, faced by increased expenditure, but anxious and resolved to spare the pockets of her

subjects. It was, in part, responsible for the later differences between Charles I. and his Parliament. It also prompted close attention to the development of trade as a source of possible revenue.

24 Another recoinage was undertaken by William III.

In the reign of William III., at the close of the 1696 seventeenth century, a fresh recoinage was accomplished.\* The silver currency was again in a bad condition, caused by clipping and wearing, and export of the heavier coins. It had not been changed in weight since the Elizabethan age, and the silver pound was still coined into sixty-two shillings. In the interval the gold had been raised four times in value. The guinea introduced by Charles II. was now the gold coin which was current. But prices were reckoned in silver, and the silver pound was the monetary unit, though the current silver coins were of smaller value. The gold was legal tender at twenty shillings, but it was accepted in offices of the Government at twenty-one, and then at twenty-one and sixpence. In no long period it rose from twenty-two to thirty shillings. As in the time before the recoinage of Elizabeth, money lost the certainty of value needed to enable it to serve as a good medium of exchange, and, much more, to perform the office of a just and steady standard. As in Elizabethan times also, the light coin was called in, and new coin issued to correct these evils. So firmly was the Elizabethan standard now established, that it was determined to preserve the silver at its old intrinsic value. The gold guinea was rated to it first at twenty-eight

\* Cf. the present writer's "Money and its Relations to Prices," pp 181-183

shillings, and was then reduced by successive stages to twenty-two. In 1699 it was reduced to twenty-one shillings and sixpence, and in 1717, by the <sup>1699</sup> advice of Sir Isaac Newton, then Master of the <sup>1717</sup> Mint, to twenty-one shillings. But even then it was rated too high in comparison with the Continental rating, and the natural consequence followed that the silver was exported abroad and the gold took its place in the English currency. The same thing had occurred before this recoinage; and difficulties due to similar causes had, as we saw, been a common feature of early monetary history. In the eighteenth century the influence was combined with that of increased supplies of gold from the mines. The more costly, but overrated, metal thus became predominant in the currency, <sup>1774</sup> and at the time of the next recoinage, in 1774, its condition attracted, and received, particular attention.

## CHAPTER VIII.

### THE MERCANTILE SYSTEM AND THE OLD ECONOMICS

*(From the Tudors to the Georges)*

#### FOREIGN AND COLONIAL COMMERCE

I The Elizabethan age marked the beginning of the maritime, industrial, and commercial power of England

In the remarkable lectures on "The Expansion of England," which expressed, if they did not inspire, the leading ideas of the important movement for "Imperial Federation," Sir John Seeley reached\* the "conclusion that the England we know, the supreme maritime, commercial, and industrial Power, is quite of modern growth, that it did not clearly exhibit its principal features till the eighteenth century, and that the seventeenth century is the period when it was gradually assuming this form. If we ask," he continues, "when it began to do so, the answer is particularly easy and distinct. It was in the Elizabethan age." It was in that age that "England began to discover her vocation to trade, and to the dominion of the sea." A new era then opened "Before the Tudor period we find only the embryo of a navy."

\* Chapter V.

"Manufactures," indeed, had not been "wanting," even to the "England of the Plantagenets", but "she began to be a great manufacturing country" in the Elizabethan age. It was when the manufacturers of Flanders "perished" in the "catastrophe of the religious war of the Low Countries with Spain," that "Flemish manufacturers swarmed over into England," "and gave new life to the industry, which long had its centre at Norwich." Nor, again, was a "carrying trade" possible save for a "great maritime country" at a time when a "great sea traffic existed." The "great sea traffic" followed the discovery of the New World, and England became a "great maritime country" after the Elizabethan age. The discovery of the New World shifted the highway of traffic from the inland lake of the Mediterranean to the open Ocean, and England was favourably placed, by geographical situation, for trade between America and the Continent of Europe. It is curious, and not unimportant, to note that in the Far East at the present day Japan occupies a similar position between America and Asia. "From the point of view," lastly, "of business" England, in the Middle Ages, was "not an advanced, but on the whole a backward country" "She must have been despised in the chief commercial countries, as now she herself looks upon the business system and the banking of countries like Germany and even France as old-fashioned compared to her own, so in the Middle Ages the Italians must have looked upon England."

## 2. The seventeenth century saw the commencement of Colonial expansion

It was, then, in the Elizabethan age that England "first assumed its modern character." "At this point"

also "we mark the beginning of the expansion, the first symptom of the rise of Greater Britain." The historian, from whom we have quoted, put forward the view\* that "competition for the New World between the five western maritime States of Europe"—Spain, Portugal, France, Holland, and England—"sums up a great part of the history of the seventeenth and eighteenth centuries." The preceding "sixteenth century," he writes, "may be called the Spain and Portugal period." "In the seventeenth the other three states, France, Holland, and England enter the colonial field" At first the "Dutch take the lead", but during the course of the century "Portugal declines," "Spain remains in a condition of immobility," and, later, Holland loses its importance "The eighteenth century," in its turn, "witnesses the great duel of France and England for the New World" Thus treated, the economic history of England during the seventeenth and eighteenth centuries receives fresh illumination. A connecting thread may then be followed through Commonwealth, and Restoration, and Revolution, stretching from the Elizabethan age to the Battle of Waterloo. The growth of Greater Britain gives an order and an unity to what might otherwise appear confused and disconnected. In the "Elizabethan war with Spain" the "fermentation" may be discovered "out of which" Greater Britain "sprang" "Under the first two Stuarts," it came "into existence by the settlement of Virginia, New England and Maryland At a later time, in the eighteenth century, it is seen to engage, now more mature, in a long duel with Greater France", and the interval was filled by the "foundation of the English

\* Chapter VI.

navy" and the "duel with Holland." This last period it is which "covers the middle of the seventeenth century." "It embraces our first great naval wars." It witnesses the taking of Jamaica from Spain by Cromwell, and that of Bombay from Portugal, and New York from Holland, by Charles II.

3 The contest with France for the New World was a conspicuous feature of the eighteenth century.

In the fourteenth and fifteenth centuries England conducted a long contest with France, known as the Hundred Years' War. It left as a legacy a serious strain on her resources. The distress felt afterwards in town and country, which rests on evidence more safely treated as showing the special condition of particular places and classes than the general state of the whole people,\* may yet be traced, in part at least, to such a large and powerful general cause. In the eighteenth century the country was again engaged in a great duel with France. Of the hundred and twenty-six years, parting the Battle of Waterloo from the Revolution of 1688, some sixty-four were spent in war. At the beginning of the period the English national debt did not exceed a million pounds, at the end it had grown to more than eight hundred millions. Of the seven great wars, thus fought successively, five began, and the other two ended, as wars with France. "The whole period," in fact, Sir John Seeley observes,† "stands out as an age of gigantic rivalry between England and France, a kind of second Hundred Years' War." The "explanation" of the long quarrel is, he holds, the rivalry of the two candidates for the possession of the New World. In America, as in Asia, "France and England stood in

\* Cf. above, Chapters V and VI.

† Chapter II.

direct competition for a prize of absolutely incalculable value", "and, probably, Arthur Wellesley believed that at Assaye and Agraum," in India, in his early military days, "he struck at the same enemy as afterwards" in Europe "at Salamanca and Waterloo"

#### 4 Economic motives in part at least prompted the wars of the seventeenth and eighteenth centuries

It is true that other causes may have worked together with this special influence. The maintenance of the "balance of power" in Europe itself was an idea firmly held, and constantly asserted. Religious differences took an important place among the forces, which excited, and sustained, the opposition led by the Protestant William III to the "most Catholic" Louis XIV. But one great motive, at least, prompting and directing the continuous warfare, was distinctly economic. Possession of the New World, and dominion over India, meant the control of a mighty instrument of national "power." The wealth, and trading prospects, of India and America, offered, in truth, a tempting prize to manufacturers and merchants. The New World at any rate held out at first the very attractive bait of stores of actual treasure. As Adam Smith observed in his "Wealth of Nations,"\* "every Spaniard, who sailed to America, expected to find an Eldorado." "Fortune, too," he proceeded to add, "did upon this what she has done upon very few other occasions, she realised in some measure the extravagant hopes of her votaries." The golden expectations, thus formed, and thus fulfilled, were shared by other nations. They suggested, and they stimulated, efforts to snatch away from Spain advantages enjoyed in the New Continent across the seas. But India offered

\* Book IV, chap. vii, part 1

a prize no less tempting than America. The discovery of the West Indies was made in the hope of finding there a short way to the East, and the development of Mercantilist views, which put in the place of immediate ownership of actual bullion a "favourable balance of trade," came into notice in a controversy on the benefits to England of East Indian trade. A fresh direction was then given to men's thoughts. But the assertion, so familiar in after days, that "trade follows the flag" was at variance with the current economic creed, neither in its old and narrow, nor in its later and more liberal form. Professor Schmoller, in his learned Essay on the "Historical Significance" of the "Mercantile System,"\* remarks, in much the same spirit as Sir John Seeley, that the "long wars," which fill the seventeenth and eighteenth centuries, had "economic objects as their main aim." "The national passion of economic rivalry," he writes, "had been raised to such a height that it was only in wars like these that it could find its full expression and satisfaction." The violent exclusion of competitors in trade, and the jealous maintenance of commercial and industrial monopoly, might as easily call for the drawing of the sword, as they might follow its successful handling. It was, in fact, some gain that men should be "content, in the intermediate years of peace, to carry on the conflict with prohibitions, tariffs and navigation laws instead of with sea-fights."

5 First, Spain was overthrown at the defeat of the Armada.

"A project of commerce to the East Indies gave occasion," as we saw, "to the first discovery of the

\* Translated as a volume of Professor Ashley's "Economic Classics" Cf p 69

West" The old routes overland to the East were barred by the growing dominion of the Turk, with the doubtful exception of that passing through Egypt, and other routes were eagerly sought. The hope of reaching India by a new way urged the Portuguese on their voyages

round the coast of Africa under Vasco de Gama 1481-98 and others in the closing years of the fifteenth

century. The same desire, half a century later, prompted English efforts, attended by less direct

success, to find a North-East passage. In the 1553 time between the part taken first by John, and afterwards by Sebastian, Cabot in the dis-

1494covery of the mainland of America, and in other ventures, which met with constant support from the Bristol merchants, and fitful encouragement from the Crown, was connected with the attempt to open a North-West passage. For this, like the North-East,

might be free from Spanish or Portuguese interference. The dominion, however, of the New World passed in the

first instance to Spain, and first the Portuguese and then the Dutch preceded French and English in

1578 the East. Unsuccessful trials were made under 1587 Elizabeth to colonise Newfoundland and Vir-

ginia, but the day of prosperous "plantations" had not come. The latter enterprise, led by Sir Walter Raleigh, was the better conceived of the two, but ended equally in failure. Brighter fortune attended the repeated seizure in the Channel and the Spanish main of trading cargoes by Drake and his fellow "sea-rovers."

To quote the language used by Floude in his "English Seamen in the Sixteenth Century,"\* the "privateering," which they practised with no less boldness than good

fortune, "suited" the "convenience" of Elizabeth, and "suited her disposition. She liked daring and adventure She liked men, who would do her work without being paid for it, men whom she could disown when expedient, who would understand her, and would not resent it." They certainly played their part with skill, and with astonishing audacity. Sir John Hawkins managed a lucrative traffic in slaves between the Guinea Coast of Africa and the West Indies with mingled luck and boldness. Sir Francis Drake made a 1577 voyage round the world in 1577. Ten years later 1587 he entered the harbour at Cadiz, set fire to the fleet lying there, or, in his own words, "singed the King of Spain's beard," and "passed out again without the loss of a boat or a man." Such courage and ability yielded no small profit when Spanish merchantmen, bringing treasure from America, were the prize. They gained a crowning triumph in the Defeat of the Armada in 1588—a deed accomplished, it seems, 1588 in spite of the misgivings and hesitation of the Queen—which at once overthrew the maritime sovereignty of Spain, and was the beginning of the English navy.

#### 6 Then Holland was injured by the Navigation Acts

The end of the sixteenth century saw this famous victory over Spain; in the middle of the seventeenth the Navigation Acts were aimed against the Dutch. The language used by English economic writers of the time affords convincing proof of the great position of that nation. Sir Josiah Child begins his "New Discourse of Trade," published first in 1668, with 1668 some remarks, which may serve as an example. "The prodigious increase," he writes, "of the Nether-

landers in their domestick and foreign trade, riches, and multitude of shipping, is the envy of the present, and may be the wonder of future generations." Imitation of the Dutch, the "sincerest form of flattery," was strongly recommended to the English people. Their success had indeed been great. As the result of their contest with Spain, they had founded a colonial empire in two hemispheres. They enjoyed a monopoly of the carrying trade. Their country furnished, in Adam Smith's words, the "great emporium for all European goods."

In both these respects, however, their 1651 position was assailed by the Navigation Act of

1651. According to its provisions no goods or commodities of the growth, produce, or manufacture of Asia, Africa, or America, were to be imported into England, or Ireland, or any British "plantation," except in ships, owned by English subjects, and manned, to the extent of three-quarters of the crew, by English sailors. No goods of the growth, produce, or manufacture, of any country in Europe were to be imported into Great Britain except in English ships, or in ships belonging to the country where they were produced or exported.

This Act was passed under the Commonwealth; 1660 the Act of 1660 of the Restored Monarchy (usually known as the Navigation Act) was even more severe. Not merely were the provisions of the previous Act endorsed. Not merely were the Dutch, so far as the English could secure, to be excluded from the carrying trade of Asia, America and Africa. Not only were they, as a country having little or no produce of their own to export, to be debarred from the carrying trade of Europe, and to cease to be a depot for goods on their way to England from some other European country. But they

were not to be allowed even to enter our colonies as agents or merchants. Then fishing industry was injured, and that of England was encouraged, by a "double-aliens" duty on salt-fish, whale-fins, whalebone, oil and blubber, imported into England as articles of commerce by ships other than those which had obtained them.

### 7. Their effect seems to have been great

The hostility revealed in these measures did not attempt concealment by any thick or thin disguise. The Acts were avowedly intended to secure the maritime supremacy of England. They were aimed deliberately at the naval power and trade of Holland. By this time the English fleet had, under Blake, grown to a reality, and had left behind the buccaneering days of Queen Elizabeth. It is true that in the War, which followed immediately the Navigation Act of 1651, the Dutch admiral, Van Tromp, gained a notable victory over Blake; but in the end the power of Holland, strained by the struggle with England, and then by the contest with France, declined, and the power of England grew. The final result, perhaps, was due less or more to other causes, but the Navigation Acts may certainly claim their share. An observer of the day, like Sir Josiah Child, who was not careless in his judgments, described the Act of 1660 as "one of the choicest and most prudent" "that ever was made in England," although he allowed that it had interfered with trade. A century later Adam Smith, who looked with no friendly eye on restrictions of "natural liberty," admitted\* that "some" of its regulations "may have proceeded from national animosity." But, he added, "they are as wise" "as if they had all been dictated by the most deliberate wisdom." National

\* "Wealth of Nations," Book IV, chap. II.

animosity at that particular time aimed at the very same object which the most deliberate wisdom would have recommended—the diminution of the naval power of Holland." At any rate, with changes of detail, the principles of the Acts remained in favour and, apparently, in force until the nineteenth century.

### 8 Lastly, France was fought and overcome

By confining English trade to English ships the Navigation Acts may have fostered a mercantile marine, from which the Navy might be fed. But by checking competition, and by offering protection to the English shipper, they may also have raised the price of goods for the consumer who imported, and decreased the business of the exporting merchant. At least, whatever may have been the case in England itself, they certainly seem to have dealt an injury to English colonies by narrowing the market for their goods. Yet the Colonial Empire of Great Britain was extending.

The "Plantations" in America were growing in 1607 number and importance. Under James I,

Virginia was colonised with mixed success, and the Pilgrim Fathers, sailing in the *Mayflower*, began to found their settlements in New England. Profiting by experience, and enjoying greater independence of control, they made rapid progress. In the reign of Charles I the Protestant New England,

and the Catholic Maryland, were added to the 1632 colonies. Under Cromwell Jamaica was wrested

1655 from the Spaniards. Under Charles II, with the 1663, 1682 foundation of the Carolinas and the Quaker

1664 Pennsylvania, and the expulsion of the Dutch from New York and Delaware, the Plantations

stretched in unbroken line along the Atlantic sea-board.

At the beginning of the eighteenth century the Treaty of Utrecht, closing in 1713 the War of the Spanish Succession, is regarded by Sir John Seeley 1713 as one of the "greatest epochs" in the "expansion" of Great Britain\*. "It marks," he observes, "the beginning of England's supremacy." At the time of the Spanish Armada she entered the race, now she outstripped both Holland and France. The former country steadily declined, after the death of William III., from whose ability and fame she gained a borrowed lustre, her decay was evident. From France, who was, however, soon to renew the contest, England received, by the Treaty of Utrecht, Nova Scotia and Newfoundland. She thus deprived her rival of one of her three possessions in North America. She was now the "first state in the world, and she continued for some years to be first without a rival." Yet her foreign and colonial possessions consisted only of a "fringe on the Atlantic coast," "of a few Western islands, and a few commercial stations in India." She had still to fight a duel with France both in Asia and America 1757. The eighteenth century ran more than half its 1759 course before in India Clive won the victory of Plassey, and in the New World the Conquest of Canada was achieved.

#### 9. Colonial trade was regulated by the principles of the Mercantile System

The motives, which led to the foundation of the English colonies, were largely economic. The gain derived from actual treasure, or from profitable commerce, was an object commonly pursued. The principles, by which the trade was regulated, were those of the

\* "Expansion of England," p 132

current economic creed—that of the Mercantile System. The Plantations were to serve, and not to injure, the interests of the mother-country. The distinction of "enumerated" and "non-enumerated" commodities, made in the Navigation Act and afterwards, illustrates the guiding purpose "Non-enumerated" commodities might be exported to other countries than Great Britain, if they were taken in British or plantation ships, owned, and manned, to the extent of three-quarters of the crew, by British subjects "Enumerated" commodities were, on the contrary, strictly limited to the market of the mother country. But they consisted of the peculiar produce of America, or of commodities, which were not produced in the mother country, or were produced in quantities too small to meet the need. The cheap purchase of necessary goods by English merchants, the profit on the carriage of articles forced to pass through the mother country on their way to foreign nations, and the injury caused to the trade of other countries by replacing with colonial goods those which they had formerly supplied, were the obvious aims of such restrictions. They might earn the blame of critics like Adam Smith for turning trade into artificial channels, and for violating rules of "liberty." Yet he allowed that the "non-enumerated" commodities, which could be exported freely, included such important products of the colonies as grain, timber, fish, sugar, and rum, that the mother country, by way of compensation, gave advantages in her markets by bounties, or diminished duties, in which foreigners did not share, and that her whole policy was more generous and free than that of other countries. Sometimes indeed, as in the instance of tobacco, she might even protect a colony from possible competitors in

the mother country itself. In any case it was the more enlightened form of the Mercantile System—the promotion of a “favourable balance of trade,” and not the collection of actual bullion—which inspired this colonial policy. It was in keeping with the Mercantilist creed that the interests of an individual colony should be placed below what was thought to be the general welfare of the realm. The further restriction, made in the reign of George III, limiting the export of “non-enumerated” commodities to countries south of Cape Town, betrayed a characteristic wish to allow competing manufacturing countries to obtain no benefit from such trade; for they lay to the North of the limit which was chosen. Whether the American colonies were, in fact, seriously injured, or their trading development greatly hindered, by restrictions imposed by the mother country is not certain, and has been questioned.

#### 10 Exclusive trading companies were common

The colonial trade, like commerce generally, was often more or less the monopoly of an “exclusive company.” Professor Hewins in his “English Trade and Finance”\* thus describes the “condition of things at the beginning of the reign of James I.” “The Russia Company had the monopoly of the trade in Russia, Armenia, Media, Hyrcania, Persia, and the Caspian Sea. The trade to Norway, Sweden, and the Baltic was under the control of the Eastland merchants. The Merchant Adventurers enjoyed the monopoly of the trade from the Cattegat to the mouth of the Somme. Then came the Levant Company with its monopoly of the trade of the Mediterranean and the East. In the newly-discovered lands,

the Guinea Company traded to the West Coast of Africa, while the East India Company's charter included the islands and continents beyond the Cape to the Straits of Magellan. In North America the South Virginia Company monopolised the trade of Maryland, Virginia, and Carolina, and the Plymouth Adventurers Pennsylvania, New Jersey, New York, and New England. These companies consisted of two main varieties, which were called respectively *regulated* and *joint-stock*. Under the first, and older, form the individual trader provided and controlled his capital. He paid the fees of the company, and obeyed its rules, and exercised a voice in its government and policy, if his payment were sufficient. In the *joint-stock* company the independence of the individual member was less complete, and the authority of the corporation greater. The stock was held in common, the losses sustained and the profit reaped were shared in common also. The latter type of company might seem the more likely of the two to become a close monopoly, in actual practice, even a "*regulated company*" might, by *restrictive rules*, grow more and more exclusive. In either case the opposition of "*interlopers*," as they were called, was a constant source of difficulty. It was an object of the most jealous precaution. It was a cause of the most frequent and continuous alarm. In either case political necessities, or services, might furnish an excuse, more or less satisfactory, for economic injury, or loss, occasioned to the community at large. In any event, the spirit of the times did not as yet favour free competition; it was content to limit, where it could, the excessive evils of extreme monopoly. The amount of fines for admission might be limited, and the less exclusive *regulated*

companies might replace *joint-stock*. In the eighteenth century, it was true, the companies might be required to justify their conduct, or existence, at the bar of popular opinion; but in the seventeenth the regulation of trade and industry was still treated alike as a necessity and a benefit. Exceptions might indeed occur even at that time. Private merchants often made voyages of discovery before a company was formed; and "intruders" afterwards, by running risks, could usually secure large gains. But monopoly was still the rule and competition the exception.

## II. The East India Company was conspicuous among these

Of these various associations the East India Company has possessed, perhaps, the most conspicuous name. It was incorporated as a *joint-stock* company at the close of the sixteenth century. Its functions were 1600 finally taken over by the Government in 1858, at the suppression of the Indian Mutiny. At the outset its ventures, which were made by small subordinate associations, were extremely cautious. But by 1617, when the funds of these smaller bodies 1617 were merged together in one *joint-stock*, the public interest had grown. Capital was raised from upwards of a thousand individuals of different ranks and classes, to an amount four times as large as the original stock. The early history, however, of the Company was marked by an unsuccessful contest for the Spice Islands with the Dutch, who had in the East succeeded to the Portuguese. This contest ended in the massacre of the English at Amboyna in 1622 1622, and their expulsion from the islands. The credit of the Company declined, their stock fell, and

they were forced to seek the protection of the King

For his favour they paid heavily. In 1640

1640 Charles I, compelling them to sell to him, in

exchange for bonds, the whole of the pepper they

then had in store, and disposing of the article for ready-

money, raised, in effect, a loan of some £50,000, which

he did not repay. Throughout the seventeenth century

the Company were fighting "interlopers," sometimes

consisting of mere private individuals, in contending

with whom the power of a large corporation was a great

advantage, and sometimes of traders, or associations,

supported by the kings like James I. and Charles I.

From Charles II. and James II. they had to meet

demands for "consideration-money," which were far

from modest, when they sought the renewal of their

charter. They were assailed by a suspicious, if not

hostile, popular opinion, encouraged by the Levant

Company, whose interests they injured. It was urged

that their trade was harmful to English interests, or

that it was for the public advantage that they should be

a "regulated" and not a "joint-stock" company. At

the close of the seventeenth century their existence was

threatened, first by the toleration shown by the Crown

to "interlopers," and then by the sanctioned

1708 creation of a new company; but in 1708 an

"United Company of Merchants of England

trading to the East Indies" was incorporated, with the

approval of Parliament. During the eighteenth century

they retained their exclusive privileges, although at

each renewal of their charter criticism was offered, and

opposition was encountered, and the terms secured

became more burdensome.

**12. At first commercial, it ended by being political**

At the outset of their history the Company had represented the intrusion of "intruders" into the trade of India, because they were thus drawn into political entanglements by the hasty injudicious action of traders free from responsibility or restraint. Such political troubles they were anxious to avoid. At the close of the eighteenth century the position of affairs had strangely altered. The question occupying then the minds of Ministers and Parliament was as much the control of the great political power of the East India Company as the restriction of their commercial monopoly, and they kept their administrative functions after they had ceased to be a trading institution. The struggle between France and England in India had resulted in the victory of the latter, and our Indian Empire had been established by the ability and energy of Robert Clive. Yet Clive himself had often acted against the instructions of the Directors of the Company at home; and in their old commercial, no less than in their new political relations, the difficulties, which first arose with intruders, were experienced later with their servants. Their servants were allowed to trade on their own account in India itself, while the Company monopolised the trade between India and Europe. By means of such trade individuals gained great fortunes, but they caused difficulties with the natives in India itself, and they excited the envy of the public at home, which formed exaggerated notions of the power and possessions of the Company.

**13. The difference between "Bullionist" and "Mercantilist" arose in controversies about Indian trade**

¶ The permission, originally granted to the East India

Company, to export bullion gave rise to a notable controversy in which the "mercantilists" parted from the "bullionists." The latter would have restrained the movements of the precious metals by direct action. They would have stopped by force their export. They would have induced or compelled their import. They turned their attention to the transactions of bullion dealers and exchangers, and the office, and work, of the royal "exchanger" were the outcome of such views. The former, on the contrary, argued that the essential point was to secure a "favourable balance of trade"; but they contended that an export of bullion for the time might accord with sound principle and with correct practice. It would do so, if in the long run it resulted in a greater flow of the precious metals into than out of the country. To secure such a "favourable balance" it was necessary, they urged, that the export of goods should exceed the imports, and that a difference should be due, to be discharged in bullion. Such a conception, though it might be destined in its turn to give way to the broader theory of free trade, which Adam Smith expounded, was yet less narrow than the bullionist opinion, which it superseded. It was advocated by Sir Thomas Mun with special reference to England and her Indian trade. His "England's Treasure by

Forraign Trade" was published, after his death, 1664 in 1664. The second title of the essay contains the gist of the argument. It runs "The Ballance of our Forraign Trade is the Rule of our Treasure." "We must," he remarks in the essay, "ever observe this Rule. to sell more to strangers yearly than we consume of theirs in value" "But," he adds, "we need not fetch in the more money imme-

directly, but rather first 'enlarge our Trade.' This we may do by paying money enabling us to bring in more foreign Wares, which being sent out again will in due time much increase our Treasure." "Most men," he continues, "search no further than the beginning of the work, which misinforms their judgments, and leads them into error. For if we only behold the actions of the Husbandman in the Seed-time when he casteth away much good Corn into the ground, we will rather account him a madman than a Husbandman but when we consider his labours in the Harvest, which is the end of his endeavours, we find the worth and plentifull increase of his actions." Such was the nature of the reasoning by which the "bullionists" were controvred, and the earlier "balance of bargain" theory, as Richard Jones called it in an essay on "Primitive Political Economy,"\* was superseded by the later theory which laid the stress upon the "balance of trade." This change of view may justly be considered an advance in theory. In practice, the encouragement of exports by bounties and drawbacks, the discouragement of imports by prohibitive or restrictive duties, the limitation of the sales and purchases of colonists to the markets of the mother country, and the regulation of trade by exclusive companies—all the bonds and fetters of the Mercantile System, as it was known in later times—were relaxations in comparison with the strictness and severity of earlier "bullionist" restraint. It was a step backwards, when writers confined their view to the balance of trade with each particular country in place of the balance of trade generally, which Mun himself put forward. It was an advance when, in the eighteenth

\* Included in his "Literary Remains" pp 291, etc

century, they shifted their standpoint, and considered the balance of trade as a test of the commercial prosperity of the country rather than as a means of increasing, indirectly, its treasure. Even then they were disposed to apply the test to the trade with separate countries and not to the total commerce with the world.

14 Another important change of opinion and practice was seen in connection with the lending of money.

Another development of practice, which exerted an important influence on theory, was seen in this period. With the growth of capital, and the increasing opportunity for its investment, the prohibition of interest, and the opinions, on which it had been founded, underwent a change. Subtle distinctions were drawn, intended to preserve the letter of a principle, and to permit departures from its spirit. The adoption of a maximum rate of interest, beyond which no borrower or lender could rightly go, was really a step onwards. It was,

in effect, a concession to the practice of giving or receiving interest at all. In 1546 and 1571 this legal rate was fixed at 10 per cent. In 1624 it was reduced to 8, in 1651 to 6, and in 1714 to 5 per cent. Nor could the title of extortion be now consistently applied to interest paid by a goldsmith for the loan of money, which was again lent out by him to some shipowner on the security of a cargo, or "bottomry," as it was called. The latter transaction might conform to the definition of legitimate business, because some risk was run, and, if the ship were wrecked, and the cargo lost, the lender would receive no interest. The former might legally be

"usurious," as a mere loan of money was involved. Yet it was only the forbidden means to a permitted end. Technically the two might differ, in essence they were the same. And they were now becoming common. The goldsmiths stood between those who had capital to lend and those who wished to borrow. When the office of Royal Exchanger was suspended under the Tudors, and then, after revival by Charles I., abolished, they acted as exchangers of coin for bullion and of English for foreign coin. As money-lenders, they succeeded to the place once filled by Jews and Causines and Lombards. In loaning wealth deposited with them, they were forerunners of the modern banker. They not only discharged the functions afterwards fulfilled by their successors, but they even anticipated some of the technical mechanism by which the business of banking is conducted. The receipts, which they gave for the money intrusted to their keeping, passed from hand to hand as currency. They were, in fact, employed, like bank-notes later, as a convenient means of payment. The goldsmiths aided also the finance of government. They lent money to Charles II. on the security, and in advance, of the taxes. But he followed the example of his father, who, in 1640, had seized the bullion placed in the mint by merchants for safe custody. In 1672 he stopped the repayments due to the goldsmiths from the Exchequer, promising interest instead of principal. Credit thus received a violent shock. The money, amounting to more than a million pounds, owing to the depositors, some ten thousand in number, who had put it for security into the goldsmiths' hands, was finally included in the National Debt.

## 15 The National Debt and the Bank of England came into existence together

The National Debt was formally created at the close of the seventeenth century. In consequence of the serious blow to credit dealt by the action of Charles II, William III found it difficult to raise the money needed for the War with France. After the Civil War the various old feudal dues had been abolished, and new taxation took their place. But, with fresh demands on the Exchequer, it was hard to find new modes of raising revenue. It was not easy to discover suitable taxes or to lay them burden fairly on the different classes of the people. A tax on property generally became in time a tax on land, based on a fixed assessment, which did not alter with the value of the land. The "hearth-money," raised under the Stuarts, excited great unpopularity. Poll-taxes were tried by William III, and aroused no less disfavour. A general excise was found impossible by Walpole in the middle of the eighteenth century. Towards its close the unfortunate attempt to tax the American colonies by Grenville was the occasion of their Revolt, and it apparently originated in the difficulty of finding adequate modes of raising revenue. William III set the example of borrowing to meet emergencies, but the credit of the country, and the rate, at which it raised the loans required, in the last resort depended on the evidence, which was forthcoming, of its taxable capacity. The device, however, now proposed by William Paterson, by which £1,200,000 1694 were raised from a number of subscribers at a rate of interest of 8 per cent, was at once the formal origin of the National Debt, and the foundation of the Bank of England. The immediate burden of

taxation, with its unpopularity, was diminished, and the subscribers to the loan were incorporated as the "Governor and Company of the Bank of England." They took the place of the goldsmiths. They enjoyed the prestige of being the Government bank. They secured privileges, which, in effect, gave them a monopoly of the issue of bank-notes in London. The position of sole superiority at the head of the banking hierarchy was an ultimate consequence. An early, but enduring, result was the hostility of the City, and the ironed classes, to the efforts of the Jacobites and the Pretender to disturb the occupation of the throne. The founding of the Bank of England illustrates thus the growth of credit as an economic influence. The excesses, to which inexperience may easily conduct, are similarly shown in the speculative mania, ending 1720 in disaster, of the South Sea Bubble of 1720.

Then, as often since, unreasoning panic followed on unwise excitement. The stock of the South Sea Company first rose enormously in price, and then fell with no less rapidity. Everybody imagined at the first that he was certain to gain, by a quick and easy road, a fortune, he found in the end that he was face to face with ruin.

#### 16. Commercial Treaties were made in accordance with the principles of the Mercantile System.

Two points of the Mercantile System may still be noticed. Adam Smith remarked that the Mercantilists sometimes sought to gain their object by commercial treaties. At the beginning of the 1703 eighteenth century the famous Methuen Treaty offered economic benefit to Portugal in order to secure political alliance. Portuguese wines were to enter England, if English woollen manufactures were allowed to

enter Portugal, on the payment of a duty one-third less than that charged on the wines of France. The treaty was expressly advocated on the ground that our balance of trade in the case of Portugal was greater than in that of any other country. The trade with France, for similar reasons, was regarded with disfavour, for there the

balance was against us. In 1713 negotiations 1713 were opened with France for a treaty, based on the liberal principle that either country should grant to the other the same treatment as that given to the "most favoured nation." But they were unable to meet a storm of opposition which was raised. It came from those who feared the sacrifice of trade with a country like Portugal, where the balance was "favourable," to trade with a country like France, which might not only compete with English industries, but also presented the serious, if not fatal, disadvantage of an "unfavourable balance." The *Mercator*, edited by Daniel Defoe, pleaded for the separation of economic from political considerations. Without abandoning restraints on importation, it sought the removal of what might prove a burden upon exports. It supported the commercial clauses of the treaty of Utrecht. The *British Merchant*, on the other hand, opposed these clauses with the same ardour as that with which it clamoured for the Methuen Treaty, called afterwards by Pitt the "commercial idol of England."

#### 17. The treatment of Ireland was unfortunate.

The treatment of Ireland under the Mercantile System was characteristic but unhappy. Her trading interests were kept in strict subordination to those of England. Plantations of settlers were made as in the Colonies, and in the fifteenth century it was hoped that through

such centres of order and of industry placed amid the disorder and the misery which prevailed, when uncertainty of life was great, owing to constant feuds of quarrelling bands of "wild Irish," the colonising Saxon might develop the resources of the country. In the reign of Elizabeth unsuccessful attempts were 1567 made in Ireland, as in America, to found such settlements. Under James I. the "plantation" of Ulster enjoyed a more lasting prosperity because it had been planned with greater wisdom. But its success was not complete. Under Charles I. Strafford developed the linen manufacture, but he was careful to do nothing to encourage the woollen trade, which might compete with English industry. The military settlements of Cromwell, and the ruthless removal of hostile or neutral settlers after the Rebellion, turned the country into "little better than a wilderness." After the Restoration, in a similar spirit to that shown by Strafford, pasture farming, suited alike to Irish soil and Irish climate, was sacrificed to English interests by forbidding the import of Irish cattle. This discouraged graziers, although it proved of some advantage to the humble cultivators, who were less afraid of being disturbed to make room for cattle. An immigration of woollen manufacturers into Ireland created a new industry, which excited jealousy in England, but Irish flax, which did not compete with English cloth, was not molested. The Navigation Acts, however, wrought injury, for Ireland was not allowed to trade directly with the American "plantations." The Revolution of 1688 made her once again familiar with the miseries of war, and the war was followed, in the interests of English clothiers threatened by the competition of the "cheap" labour

and the "cheap" material of the Irish woollen industry, by countervailing duties on Irish drapery. The linen industry, however, which did not enter into rivalry with England, was developed. In its favour relaxation was even made of the Navigation Acts. Yet it might be sacrificed to more important English interests, if need demanded, or to Scotch, after the Union with England, when the linen industry in Scotland was encouraged. Ireland, in fact, was given no better treatment than a colony, and sometimes worse. She had to contribute to the power of England; for so the Mercantile System ordered. After the loss of the American colonies the jealous policy was changed, and her industry was helped. But serious mischief was already done.

18 Yet the Mercantile System marked a stage of progress.

Yet, on the whole, the Mercantile System marked a stage of economic progress. It was, in some respects, an advance on previous practice. It replaced a local by a national policy. For a later period it was reserved to pass beyond the barriers now maintained, but those barriers themselves had been pushed forward from the lines on which they rested at an earlier time. A movement from a national to an international standpoint might afterwards be desired and achieved, a movement from a local or municipal to a national position was none the less important an advance. Professor Schmoller's words supply perhaps no unjust or inaccurate judgment of the entire system. "The whole internal history," he writes,\* "of the seventeenth and eighteenth centuries" "is summed up in the opposition

\* "The Mercantile System," p. 50

of the economic policy of the state to the town" and the "district; the whole foreign history is summed up in the opposition to one another of the separate interests of the newly-rising states" "Each" "sought to obtain and retain its place in the circle of European nations, and in that foreign trade, which now included America and India"

## CHAPTER IX

# THE INDUSTRIAL REVOLUTION AND THE NEW ECONOMICS.

*(From the Georges to Victoria.)*

## THE NEW AGRICULTURE, THE FACTORY SYSTEM, AND FREE TRADE

### A —THE AGRICULTURAL REVOLUTION

i. The period from 1750 to 1850 is very important

The last half of the eighteenth, and the first half of the nineteenth, century cover a period of great importance in the economic history of England. The changes then accomplished in manufacturing industry have been described as "revolutionary." They were accompanied by agricultural movements hardly less complete or less remarkable, and the adoption of Free Trade, which followed, was a reversal of the ideas, which, under the Mercantile System, had long guided the commercial policy of the country. The extent of the changes was such as to earn the title of a "revolution"; their speed seemed so great as to astonish and confuse, though it has certainly been shown that preparation had been made for them some time before they were achieved. The possession by England of a commercial and industrial supremacy is a characteristic of the nineteenth century, and it was a sequel, if it was not a consequence,

of the agricultural, industrial and commercial changes we are now to consider. They opened a new, eventful chapter of economic history.

## 2. It marked a fresh stage of development.

At first a purely agricultural country, with rude methods of tillage, and a rigid system of tenure, then a manufacturer of the cloth, the raw material of which had been before exported to be turned elsewhere into a finished good, then, as a maritime, commercial nation, taking from the Dutch then carrying-trade, and contending with the French for the possession and the business of America and India, England finally became the workshop of the world As the Middle Ages passed away, the close institutions of the Manor and the Gild were merged in the larger community of the nation, and now the Mercantile System, which, in its pursuit of power, had removed internal barriers, was to withdraw before Free Trade, in whose eyes the whole world was to be as one nation, and nations were to be as persons. Such was the language used by Sir Dudley North in his "Discourse upon Trade" as early as 1691. A cosmopolitan spirit, aiming at the increase of the total sum of wealth, was now prepared to overthrow external barriers, parting geographically, and not economically, one country from another. The time had come for taking a new standpoint, from which trade and industry might be surveyed, and institutions and practices, fitted to older circumstances, were not suited to the new conditions.

## 3 In agriculture, the process of inclosure was renewed.

"Previously to 1760," writes Arnold Toynbee in his "Industrial Revolution," "the old industrial system

obtained in England; none of the great mechanical inventions had been introduced, the agrarian changes were still in the future." The beginning, then, of this new chapter may be placed about the middle of the eighteenth century. Our attention may first be turned to the "agrarian changes." In the fifteenth and sixteenth centuries the growth of the woollen industry offered a powerful inducement to inclosure. Large sheep farms, formed both from the common land and from individual holdings in the "open" fields, aroused the anxious, unavailing notice of the legislature. A decrease of employment in some cases, in others an actual loss of property, wrought serious injury to the labouer and the smaller farmer. Sheep, in fact, took the place of men. (But the inclosure of the "open fields" was a condition of improvement, and marked a definite advance.) Where the land, under the new system of "convertible husbandry," which followed on the sheep-farms, was, from time to time, changed from ploughing to pasture, and again, after an interval, from pasture to ploughing, the improvement rendered possible by uniting scattered plots in a continuous farm, and allowing the holder freedom to cultivate in such order as might suit the land, and meet his own convenience, was so obvious and so great that experts were agreed in favouring inclosures. Yet even in the middle of the eighteenth century, when a fresh impulse was given to agricultural development, more than half the land of England was still formed of open fields. (Once again high agricultural authorities, like Arthur Young, eager to secure free opportunity for scientific cultivation, urged inclosure, complaining of the wretched methods by which the land in the open fields was farmed. Once again

inclosures were made on an extensive scale, and the less important members of the community, like their predecessors, suffered from injustice or neglect, or, at least, from inability to protect themselves. The same Arthur Young, who dwelt on the advantage, or necessity, of inclosure, was careful to point out the way in which the peasantry might lose

4 The object was improvement, of which Townshend was a pioneer.

In one respect the later inclosures differed from those which had occupied two or three centuries before. The evils arising from the earlier inclosures ceased to excite complaint, when the stationary, or falling, price of wool, and the rising price of corn, made sheep less profitable and tillage more remunerative (The bounty on the export of corn, which was granted at the close of the seventeenth century, and continued, with brief interruptions, during the greater portion of the eighteenth, supplied a motive for the growth of corn, whatever may have been its other consequences for good or ill. Its influence was aided by duties on the import of foreign corn, and by a veto on the export of English wool.) The later inclosures, then, were not, like the earlier, intended to permit the substitution of sheep for men, but they were suggested, and required, by the urgent claims of advancing agriculture. Three names enjoy especial prominence on the roll of those who led the way in agricultural improvement. The title given to "Turnip Townshend" needs no explanation. Lord Townshend, indeed, did not introduce the cultivation of those roots from which his nickname was derived. They, and clover, had been tried as experiments during the period of slow development before the time when

he, deserting the town and politics, addressed himself to the more tranquil business of rural life. But in 1730 when, in 1730, he took to farming, he caused a revolution in agricultural methods by giving to turnips and to artificial grasses their definite place in a four-course rotation. Under the system of "convertible husbandry" the land had gained the necessary respite from continued tillage by falling back to pasture, and, after remaining under pasture for some time, was, with renewed advantage, broken up for a fresh interval of ploughing. Under the primitive rotation of the "open-field" system, a period of fallow once in every two or three years was ordered, and the land was unproductive for the time. The change, by which, under the new "Norfolk system," roots and grasses alternated with coin crops, not only provided the necessary refreshment without an idle interval, but also furnished the winter food for cattle which was wanting in the older agriculture. Such a change, resulting in such consequences, was a "revolution."

5 Bakewell, Coke, and Arthur Young were others. During the same period in Leicestershire Bakewell, who lived from 1725 to 1794, was winning European fame for his improvements in 1725-1794 sheep and cattle-breeding. He took a new standpoint, from which the carcass of the sheep was thought no less important than its fleece. In his attempts to improve the breed of cattle he was not so successful, but his sheep, "small in size and great in value," brought him both celebrity and wealth. The latter disappeared beneath the pressure of a lavish hospitality, the former established his position as the chief of a number of imitators, who followed his example with

advantage to themselves and to the public. A third reformer was Mr. Coke of Holkham, whose energy was shown in various directions. The rental of his estate is said to have grown from £2,200, when he entered on possession in 1776, to more than nine times as much forty years later. The plentiful, but judicious use of manure, the introduction of oil-cake and other artificial food for cattle, the practice of stall-feeding and the improvement of live-stock, and the erection of model farm-buildings and labourers' cottages, were illustrations of his pervading zeal. The knowledge of these new improvements was spread by Arthur Young. He was the secretary of the Board of Agriculture, established in 1793, and on his various tours, in England, in Ireland, and in France, he gained, and tried to communicate, a knowledge of promising experiment and proved success.

6. Inclosure was necessary, but the peasantry suffered.

"Before 1780," Mr. Prothero remarks in his history of "English Farming,"\* "the Eastern counties and Leicestershire had alone profited to any substantial degree by improvements in agriculture or stock-breeding." In those counties the farms were large, and the open fields were few. In many other places the old system lasted, and even in 1794 "it is calculated that of 8,500 parishes, 4,500 were" "farmed in common" 1794. The drawbacks of this system were tolerably plain. Time was idly spent in passing from scattered strip to scattered strip. Drainage was a failure, if your neighbour did not drain his land as well. The use of new implements was as little possible as the observance

of a new "rotation"; and common rights of pasture over the stubble were a serious obstacle to winter crops. An unreasoning conservatism, born of local prejudice, wedded to familiar but old-fashioned methods, and sustained in some districts by lack of intercourse along roads, where the mud lay thick, might agree with the routine of the "open-field" system, but it hindered, where it did not prevent, improvement. Inclosure was a remedy as naturally suggested as it proved effectual. It was extensively employed. Between 1777 and 1795 upwards of six hundred Inclosure Acts were passed. Between 1795 and 1809 the number of a thousand was exceeded. Between 1760 and 1843 some seven million acres of common land were inclosed. By the process agricultural improvement was secured, but the peasant suffered. Humble claims were overlooked, or set aside. The extinction of rights of common meant the loss of an opportunity of adding to means of livelihood. The inclosures were to some extent responsible for the occurrence, or aggravation, of distress. They joined with a vicious poor law in swelling the amount of pauperism. They helped to separate the peasant from the soil. They added then compulsion to the attraction of work in the manufacturing industries which were growing with amazing speed.

#### 7. The smaller freeholders, or yeomen, disappeared.

Now, it must be remembered, was it the labourer alone who was thus affected. The disappearance of the smaller freeholders, or yeomen, who were once an important, and welcome, part of rural society, may be traced to a combination of causes, among which the inclosures take a significant position. (1) The forfeiture of ancient rights of

common grazing was a serious reality to many of them (number.) It sometimes turned a scale wavering beneath the weight of other burdens. Such a burden might be found in the excitement caused by (violent movements in the price of agricultural produce) These might be due to the influence of the Napoleonic War, which was accompanied by scarcity and by increased demand, and followed by comparative abundance and diminished custom. They might also be occasioned (by Coin Laws,) which, excluding, or restricting, the entrance of foreign coin, caused greater fluctuation, less easily foreseen, than that occurring afterwards, when a free trade drew its supplies from a larger area. Difficulties might, in addition, be (produced by oppressive mortgage debts) contracted rashly by the yeomen to permit an increase in their holdings, or an improvement, or extension, of their buildings, or provision for their family. (The growing pressure of the Poor Rates) as pauperism increased towards the end of the eighteenth century, was a further serious burden. Such difficulties as these threatened them with ruin, and forced the sale of their land (They were tempted to the same fatal course by high prices offered by men wanting the social position or the political power of landed ownership, or seeking opportunity for applying capital to agriculture under the more advantageous methods possible when the scale of the enterprise was large. Thus by direct or indirect means the movements of the times wrought their decline. At the end of the seventeenth century, according to Gregory King, the number of freeholders in England amounted to 180,000 Less than a century later, Arthur Young speaks of them as if they had vanished from the scene. He does no more than anticipate what after-

wards occurred. Their disappearance was to be regretted, even when it was due to natural causes. It was the more to be lamented that it was hastened by artificial influence.

### B.—THE FACTORY SYSTEM. ITS CAUSES.

8. In manufacturing industry inventions and improvements were introduced, especially in the cotton trade.

The new manufacturing developments supplied the capital for buying out the landed interest of the yeomen. They attracted, or compelled, the inhabitants of the country districts to move into the towns. In their pressing demand for abundant labour they favoured, as we shall see, the encouragement of population by a lax administration of the Poor Law. By the injury they wrought to the "domestic system" they deprived the peasantry of additions to their incomes made by the employment of themselves, or of their wives or children, on manufacturing work in the slack or idle hours of agriculture. The domestic system of industry had afforded compensation for the inclosures of the fifteenth and the sixteenth centuries, by opening new avenues to work, but it was now superseded by the factory. The mechanical inventions of the eighteenth century were achieving an "industrial revolution." They thrust wool from the sovereignty, which it had occupied for so long a period of English history, and seated cotton in its place. In 1770 woollen goods formed more than a quarter of the exports of the country, and the value of the cotton export was but a twentieth of that of wool. In 1836-1840 the annual consumption of raw cotton

was about 406,000,000 lbs, and that of wool was, in 1810, some 200,000,000 lbs. The manufacture of cotton was first transformed. A notable series of inventions wrought this result (In 1753 the introduction of the flying-shuttle by Kay increased the pace of the hand-loom so much that the demands of the weavers for yarn outstripped the supplies which the spinners could furnish. The position of affairs was soon reversed. (In 1760 Arkwright invented the water-frame,) in 1770 Hargreaves patented the spinning-jenny, and in 1779 Crompton introduced the mule,) combining in one machine the principles of the jenny and the water-frame.) The conditions of spinning were now transformed, and the supplies of the spinners outlan the demands of the weavers. Rapidity was gained by the discovery due to Hargreaves Arkwright's invention enabled men to spin cotton-yarn of sufficient strength, (and the production of the finer yarn, and, as a consequence, that of muslins, were made possible by Crompton's mule. The labour of the hand-loom was in such request that the weavers had no leisure left for following, as before, their agricultural work, and they enjoyed a prosperous independence, for they commanded the market for their services.) An equal, or greater, transformation in the processes of weaving resulted, some time later, from the general use of (Cawthright's power-loom.) It was patented as early as 1785, but afterwards it was 1785 much improved, and it was not, it seems, employed on an extensive scale until the first twenty years of the nineteenth century had passed away. In the year 1785 also the steam-engine, patented by Watt in 1769, was introduced into the cotton 1769

1789 industry, and in 1789 it was first applied to the power-loom

9 Other industries shared in the progress made.

The use of steam as a motive-power created a new demand for coal. The successful smelting of iron by coal, and the employment of steam in blast-furnaces, increased this demand, and revolutionised the iron industry. Its products were needed for the manufacture of the new machinery; and, leaving the charcoal furnaces of the forests of the South, it settled in the neighbourhood of the large coal strata further North. With these important discoveries the names of Darby, Roebuck, and Cort, are linked in the period covered by the latter half of the eighteenth century. The other textile industries of (linen and of wool) shared in the impulse given by the new inventions which were extended to them in their turn. Improvements in the combing of wool, and in the spinning of flax, were seen at the close of the eighteenth century. The making of lace, and the printing of calico, by machinery, together with improvements in dyeing and bleaching, were discoveries of the same eventful period, and they were hardly surpassed in the importance of their results by the progress made in certain industries where little or no machinery was as yet employed. In the history of pottery the name of Josiah Wedgwood has left a lasting reputation, and he was not alone among the inventors, and designers, of the time.

10. The modes of transport, by water and by land, and the methods of conducting business, were altered.

The age was crowded with notable discoveries and improvements, and among these the steam engine

takes a place of chief importance. It was to revolutionise the modes of locomotion. Experiments were made promising great results, but the fulfilment has surpassed the highest expectations. In our time the possibilities of electricity as a motive power are engaging the attention of inventors; and it is hard to tell what the future of locomotion may be under this new impulse. Yet it is not long since the speed and cost of carriage across the sea were completely altered by the general substitution of steam for sailing-vessels, and the middle of the nineteenth century was an epoch of railway construction so rapid and so large as to beget a speculative mania, and to end in a financial crisis. In the eighteenth century improvement in the means of carriage was due mainly to canals. Of these the Grand Trunk, joining the Trent and the Mersey in 1777, and the Grand Junction, uniting London with the Midlands in 1792, were conspicuous examples. The names of Telford and Macadam were connected with the construction and improvement of the turn-pike roads in the early part of the nineteenth century, (the first railway was opened in 1830, and the first steamer crossed the Atlantic Ocean from America to England in 1819 and from England to America in 1838) Better methods of conveying goods were accompanied by more efficient ways of conducting business, and the development of banking, and the making and erection of different parts of that elaborate, but smooth and easy, mechanism, with which the modern trader is familiar, altered the character and processes of business. The manufacturing and agricultural "revolution" thus found its counterpart in trade and commerce. In 1750

Burke had declared that "out of London" there were <sup>1754</sup> hardly a dozen banks." "In 1793," Mr. Fox Bourne states in his "Romance of Trade," "there were more than four hundred" By the middle of the nineteenth century the latter number had increased as much <sup>1840</sup> again (In 1840 the penny post was introduced) <sup>1837</sup> (In 1837 the first electric telegraph-line was laid)

It was the fresh development of English commerce, following the manufacturing advance, which suggested, and enforced, Free Trade

## II These changes gave advantages to special districts

The manufacturing inventions altered the relative importance of the factors of production, and changed the comparative advantages of different districts. Hand-labour was not indeed immediately displaced. The earlier inventions, like the spinning-jenny, might be worked by hand. The hand-loom held its own in weaving for some time after machinery, driven by a new motive-power, had been established in the spinning industry. Water supplied the source of that motive-power before it was superseded by the steam-engine. These successive changes were followed by distinct results. In a previous age, under the old conditions of industry, a plentiful supply of the raw material on the one hand, and easy access to the market for the sale of the finished goods on the other, were chief considerations fixing the place of manufacture. The Eastern Counties became the main seat of the woollen industry, because the flocks of sheep, from which the wool was taken, were raised and pastured on the neighbouring plains, and intercourse was easily and speedily con-

ducted across the adjoining sea with the markets of the Netherlands and Germany. The fine breed of sheep in the West of England, and the importance of the port of Bristol, were jointly responsible for the fame of West of England cloth. So long as the tools of manufacture were simple, and the processes of production slow, the domestic system of industry was possible in the woollen as in other trades as a second pursuit for an agricultural people. But the increased speed of output, and the use of automatic motive-power, which accompanied the manufacturing inventions, wrought a great change. In the words of Mr. Cooke Taylor, in his "Modern Factory System,"\* "it was easier now to bring the raw material to the motive-power than the motive-power to the raw material; or rather it was possible to do the one, but quite impossible to do the other."

## 12. The use of water as a motive power favoured Lancashire

The motive-power first employed was generally water, although in some cases the services of horses or of wind might be enlisted. Water was found in abundance in the Northern counties of Lancashire, Cheshire, and Yorkshire, but was scanty in the South and East. Lancashire was specially favoured. The range of hills stretching from Kendal in Westmoreland to Macclesfield in Cheshire broke the rain-clouds coming from the West, but the slope, by which the rivers reached the sea, was little more than fifty miles on the western side in Lancashire, while the Yorkshire rivers on the eastern side had to travel twice that length, and the Derbyshire rivers on the south were severed from their outlet by some two hundred miles. The water-power thus available,

in Lancashire was at once greater in force, and more constant in supply; and the cotton industry, enabled by comparative freedom from tradition to take advantage of the new factory system more readily than the ancient woollen industry, was established in the district. The abundant rainfall, which furnished copious stores of the motive-power, caused a dampness in the air which favoured the spinning of the yarn. For similar reasons the woollen industry left the Eastern counties, and found its principal home in Yorkshire, where it had settled to some extent before and was worked on the domestic system. In this industry the parting from earlier traditions was accomplished more slowly and more reluctantly, for the traditions themselves were older and more firmly rooted. The reasons, which led to the settlement of the linen industry in the North of Ireland, and in Scotland, were also similar, and the later movement of the silk manufacture from Spitalfields in London to Macclesfield in Cheshire was connected with the change from handicraft to factory.

13 The substitution of steam had a distinct influence

With the invention of the steam-engine a new source of motive-power took the place of water. And now, in Mr Taylor's words, "there being no longer a necessity to seek either the motive-power or material in the same degree, labour became the prime consideration." Nearness to the material needed to make the new machinery, and to produce the power to drive it, ranked next to labour, but below it, in importance. The factories left the banks of rivers, and settled in crowded cities. With the old source of motive-power iron had been required

for the production of the machinery, and coal had been latterly employed to smelt the iron. With the advent of the steam-engine the demand for manufacturing machinery became more urgent, and a fresh demand arose for coal as a source of motive-power. Nearness to coal and iron thus gained a new importance, and water continued to be valued as a means of cheap communication rather than as a supply of motive-power. But Lancashire and Yorkshire were equally suited for the second as they had been adapted for the first stage of the factory system. They possessed stores of coal and iron. They were near to districts similarly supplied. They contained centres of population, even then large and rapidly increasing. Then water-ways were numerous, and admitted of easy communication with markets before the days of railways. For these reasons they became the manufacturing districts. The Eastern Counties declined and the progress of the West was small. Even in the time of Adam Smith the population of Liverpool was ten times, and that of Manchester five times, as great as at the end of the seventeenth century. Between 1801 and 1841 the population of the latter city grew from 90,000 to 300,000, and that of the former from 78,000 to 228,000.

#### 14. The factory system took the place of the domestic system.

Thus the domestic system of industry was doomed. The use of powerful elaborate machinery prompted and required the collection of a crowd of workers underneath one roof. The isolated independent workman might continue in some places and some industries. In others the small company of the master-craftsman and his family, or his apprentices and journeymen, working

together, might be found. But the factory was encroaching on then province. When manufactures were produced by hand, or by the aid of simple implements, or rude mechanical contrivances, the material might be supplied, and the goods placed on the market, by a middleman, owning the capital and willing to take the risk, but the actual work was done in the houses of small craftsmen, directing a few apprentices and journeymen, who lived with them, eating at their table. Manufacturing was then pursued as a second occupation by a rural people. The substitution of machinery for manual labour, and of power derived from a natural force for the muscles of the workman, made it advantageous to bring and keep production near the source of motive-power.\* The application, in its turn, of steam, increasing the speed and enlarging the scale of manufacture, rendered it desirable, and even necessary, to generate in a single spot the force which was required to drive machinery sufficient to employ the labour of a crowd of workers. Manufacturing industry, leaving the villages, settled in the towns, where it produced commodities in masses for markets of the world. As the result of the mechanical inventions England became an industrial workshop—a manufacturing country, with a great increase in population, of which, a hundred years later than the changes, more than two-thirds were living in the urban, and less than a third in the rural districts. The first half of the eighteenth century, when the commerce of the country

\* The substitution for steam of a source of motive-power, which, like gas, or oil, or electricity, may be generated in one centre, and distributed over a wide area, may possibly reverse some of the conditions of the factory system

alone had grown to any large extent, had seen an increase in the population of some seventeen or eighteen per cent., in the second half, when the manufacturing changes added their influence, the addition amounted to some fifty-two per cent. Between 1801 and 1831, as Porter pointed out in his "Progress of the Nation," the increase was fifty-seven per cent.

### C—THE FACTORY SYSTEM ITS CONSEQUENCES

15 The factory system was attended by certain evils; but for these the system itself was not entirely responsible

The factory system thus became a necessary condition of improved production, but it was attended by certain evils. A distinction may be drawn between the system itself and the circumstances of its introduction. Under the old domestic system greater intimacy prevailed between the master-craftsman and his apprentices and journeymen than could arise between an employer and a crowd of workers. Carlyle described the new relation in emphatic language as a "cash nexus"; and it cannot be denied that the change from the earlier to the later system was a change from an industrial relation, which lent itself more readily to sentiment and personal affection, to a relation resting rather on hard considerations of mere business. It was possible that the new employer might not know the faces of the "hands" working in his factory, it was inconceivable that such a lack of knowledge should be found between the master-craftsman and the inmates of his house. Yet

the older system undoubtedly had its evils. All craftsmen were not kindly, or unwilling to use opportunities for petty tyranny. The individual worker was perhaps more dependent on the individual master than he became when the factory took the place of the domestic workshop. He may have had a better chance of rising to independence as a master-craftsman, but, on the other hand, the worst conditions of employment are now found in trades where a domestic system still prevails. No historical inquiry failed to disclose some parallels in times before the advent of the factory.

16 The circumstances of its introduction were unfortunate.

Opinion on the special circumstances of its introduction rests on more certain ground. Of the grave nature of the evils, which arose, no question can be raised. That some of the early masters were harsh and cruel, unfitted to bear responsibilities for which they had no training, or to exercise a power, of which their experience was fresh, cannot be denied. That they were ready, in the pursuit of wealth, to neglect considerations, to which they might have proved more sensible in calmer times, and less strange circumstances, may be admitted, while we allow that others, like David Dale and Robert Owen at New Lanark, took an interest in the health and welfare of their men, and that the evils seem to have been worst in the smaller mills. That the nation itself, engaged in that long and arduous contest with Napoleon, for which it furnished a large portion of the funds, did not recognise at first that the permanent interests of national well-being were sacrificed to the more pressing and immediate, but not more important, aim of increased production, is a conclusion suggested

alike by a study of the discussions, which preceded Factory Legislation, and the experience which has followed its enactment. No competent historian would now deny the grievous and alarming nature of the evils, to redress which the interference of the law was asked. Young children of tender age were crowded into factories. Their labour was cheaper, and more obedient to strict control, than that of older men. Then strength and then intelligence were equal to much of the work required by the new machinery, and their smaller bodies could creep through places where adults could not pass. But they were often maimed, or injured, by such machinery, from dangerous contact with which they were not protected. They were maltreated by rough overseers, and distressing deformity sometimes resulted from deliberate or careless human act as well as from the unconscious agency of passionless machinery. (Their hours of labour were long.) Their conditions of life were injurious to health, both physical and moral. Their minds were neglected equally with their bodies. The misery, which they suffered, has found eloquent expression in Mrs Browning's poetry. It aroused the interest of philanthropists, like Lord Ashley. It inspired the efforts of the Factory Reformers associated with him, such as Richard Oastler, and Michael Sadler. It awakened at last the conscience of the nation, and demanded notice from the legislature.

#### 17. Legislation was demanded

The first Factory Act, in 1802, was passed at the instance of Sir Robert Peel, the father of the famous statesman, and himself a master-manufacturer. Its objects were the same as those achieved by later legislation. Restriction of day-work, 1802

and prohibition of night-work, provision of education by attendance at school during working-hours, and insistence on elementary sanitary requirements, such as whitewashing, and the admission of fresh air by sufficient windows, were intentions common to this Act and its successors. It was due immediately to alarm

occasioned by ravages of epidemics in the factory 1796 districts. This led to the appointment, in 1796,

of a Board of Health, who, in their first report, charged overcrowding in the factories with large responsibility for disease. The Act, however, was limited to apprentices legally bound to service for it was the duty of the law, which bound them, to protect their life and health. When manufacturers first sought the necessary power for their machinery on the banks of the rivers of the North, a system arose among the overseers of the South and elsewhere of binding parish apprentices to service in the mills. When the substitution of steam for water moved the factories from the rivers to the cities, parents also sent their children to work, to enlarge their earnings. They were, it seems, no less neglectful

of their future health than the masters of apprentices had been. In 1819, accordingly, a new

1819 Factory Act limited, for the first time, the age, at which children generally, whether legal apprentices or not, could be admitted to the mills, to nine years and upwards, and, as before, restricted the hours of labour (between the ages of nine and of sixteen) to twelve

1825 But, while the earlier Act applied to cotton and woollen mills, the later was limited to cotton

1831 In 1825 and 1831 further Acts were passed. The chief provision of the first was, perhaps, the approach made to a half-holiday on Saturday, and the most

notable characteristic of the second was that, unlike its predecessors, excellent in intention but of no avail in practice, it was, to some extent at least, carried into effect.

18. This was afterwards more effective than it was at first

Factory Legislation now received support from the Tory party; for they were anxious to secure some counterweight to the popularity gained by Liberal politicians from the movements for Parliamentary Reform and the Repeal of the Corn Laws. The agitation for a "Ten Hours Bill" was actively conducted 1833. In 1833, as the result of the inquiries of a Royal Commission, Lord Althorp's Act was passed. It applied to cotton, wool, woisted, hemp, flax, tow, and silk-mills, where steam, or water, or other mechanical power, was used to propel or work machinery. It drew a distinction between "children" of nine to thirteen years of age, and "young persons" of thirteen to eighteen. The former were not to work more than nine, and the latter more than twelve hours a day. It compelled attendance at school, for this condition seemed to offer the surest guarantee that a child was not at work. Finally—and this perhaps was of most importance—inspectors were appointed to prevent evasions of the Act. They were even intrusted with the magisterial powers, given before to the local justices, but rarely, if ever, exercised. By the Act of 1844, a power to prosecute took the 1844 place of this penal jurisdiction; but the effective operation of the Laws has undoubtedly been due to the regular appointment of inspectors, to their possession of sufficient authority, and to the zealous fearless exercise of their important duties. The Act of 1844, passed by Sir Robert Peel himself, consolidated previous measures,

and introduced changes suggested by experience. Six and a half hours a day, or ten hours on three alternate days in the week, with five hours' schooling on the other days, were to be the maximum hours of labour for "children" of eight to thirteen years of age. All adult women were given the same protection as that accorded to "young persons", and careful rules were laid down about the hours allowed for meals, the certificates of age,

and those of school-attendance. Provision was 1847 first made for the fencing of machinery. In

1847, the Ten Hours Bill was passed, limiting, after May in 1848, the hours of work to ten for "young persons" and for women. The manufacturers, however, met the restriction of the law, and satisfied the demands of reviving trade, by a system of "relays". They thus kept their factories open for a greater period than the maximum time, but did not employ "protected persons" for longer than the legal hours. The inevitable com-

1850 pllications of the system furnished opportunity for evading the law, and misleading the inspectors,

and in 1850 a compromise was reached, by which the legal working-day for "young persons" and women was fixed at ten and a half hours in the time between six in the morning and six in the evening, and, in the

winter months, with the consent of the inspectors, 1853 between 7 a.m. and 7 p.m. On Saturdays work was to cease at two o'clock. In 1853 the same limits of time, between which the maximum hours must fall, were applied to "children."

19 With the Factory Act of 1850 its main principles were settled

With the Act of 1850 an important period of Factory Legislation closed. Its governing principles had been

laid down. The provisions, by which its observance was secured, were now established. The struggle between its advocates and its opponents had ended in the victory of the former, and subsequent development consisted mainly in its extension to industries not yet included. The conditions of employment in coal and metal mines also received the notice of Parliament even before 1850, and Royal Commissioners found there evils, which might be compared to the worst misery and oppression of the early factories. In their case, similarly, the law endeavoured to prevent their repetition by regulation and inspection. To non-textile factories, and to workshops, the Factory Acts have been extended by successive stages. The machinery of the Acts themselves has been improved; and greater emphasis has been given to certain principles. It would be rash to assert that practical experience has silenced opposition or distrust, but the general current of opinion is fairly represented by language used by the late Duke of Argyll. "During the present century," he writes, in his "Reign of Law,"\* "two great discoveries have been made in the Science of Government. the one is the immense advantage of abolishing restrictions upon Trade; the other is the absolute necessity of imposing restrictions upon Labour." "If during the last fifty years it has been given to this country to make any progress in Political Science, that progress has been in nothing happier than in the Factory Legislation "†

20 Another evil of the period was the alarming growth of pauperism.

In the first instance, we have seen, Factory Legislation was applied only to those apprentices legally bound to

\* P 384.

† *Ibid*, p 364.

service, who had, in many cases, been brought, or sent, to the North by the overseers of the Poor Law from the parishes of the South and elsewhere. The overseers were influenced by a wish to relieve their parishes of the burden of pauperism. Among the evils of the last quarter of the eighteenth, and the first quarter of the nineteenth century, an extraordinary and alarming growth of pauperism fills a conspicuous place. It was due, in the

main, to lax administration of the law. In 1722 1722 the "workhouse test" had been established.

Workhouses were to be erected by parishes uniting with one another, and relief was to be refused to all who would not enter them. Such, at any rate, was the theory, in practice the test may have been made impossible by neglect or refusal to build or provide the necessary houses. Yet its formal abolition, sixty 1782 years later, by Gilbert's Act, marked a significant

change of policy. The provisions of that Act were, it is true, permissive, for its adoption depended on the assent of a certain number of the ratepayers in any district. But the current of ideas was altered. A little later, the demand for soldiers to fight in the War against Napoleon made the encouragement of population a patriotic duty. This feeling was confirmed, or anticipated, by the urgent call for abundant labour in the factories, which the mechanical inventions brought in large numbers into being. In place of that destruction of cottages to avoid an increase of the rates, which had before commended itself to the influential classes, the

policy, begun by the Berkshire magistrates, meeting at Speenhamland in 1795, of granting allowances in aid of wages in proportion to the price of wheat and to the numbers of a family, met with

approval. It received that genuine form of flattery which consists in general imitation. It was shortly afterwards indorsed by Parliament. A certain amount of pauperism, it must be allowed, was caused by the agricultural and manufacturing changes of the times. The peasantry were injured by inclosures, and by the decay of the domestic system Workmen, accustomed to manufacture by hand, were, for the time at least, thrown out of employment by machines, or by the cheaper and more dependent labour of women and children, who were competent to perform the less labourious and skilful work required. But none the less the volume of pauperism was increased by the administration of the Poor Law, and the evils finally became so serious and manifest that reform was urgently required.

21 A crisis was reached when, in 1834, the Poor Law Amendment Act was passed.

The Commission, to whose Report the Amendment Act of 1834 was due, found cases not unusual, where the condition of a pauper was preferred to that of an independent labourer, and it was possible that those, who received relief from the rates, might be more prosperous than those who bore the burden of their payment. The expenditure on poor-relief increased from some two millions of pounds in 1783 to twice that figure in 1808, and by 1818 it amounted to nearly eight millions of pounds for a population of eleven millions of people. During the period of strict administration, it had diminished from £819,000 in 1698 to £619,000 in 1750. Wages sank, for the gaps in them were filled by allowances. Population grew by legitimate or illegitimate means,

for relief was given in proportion to the numbers of a family. Independence was at a discount The nominally dependent were in practice insolent, and even dictatorial. A witness before the Commission summed up the situation by remarking "Poor is the diet of the pauper, poorer is the diet of the small ratepayer, poorest is the diet of the independent labourer." If the whole nation, or the vast majority, were not to become paupers, a complete change was necessary, and, accordingly, the Commission recommended, and the Legislature adopted,

those principles of stricter administration, which 1834 were embodied in the Act of 1834 The work-house test was re-imposed. Gilbert's Act had forbidden the guardians to send to the "house" any but the "impotent" By the Act of 1796 refusal to enter it was not to be made a cause for withholding poor-relief. But the Act of 1834 distinctly forbade relief to able-bodied persons except in well-regulated workhouses. A Central Board was to be appointed to control the local authorities, to frame rules for their guidance, and to insist on their observance. The vigorous action of the three Commissioners, first selected for this purpose, roused reaction, and they incurred the penalty of unpopularity But they altered the whole condition of affairs. They arrested the growth of what were justly called "enormous" evils. They averted a great calamity.

## D — INDUSTRIAL MOVEMENTS. TRADE UNIONS

22 The Factory System stimulated, but did not create, Trade Unionism

{ The rise of the factory, with its new and strange

developments, and the sudden, overwhelming flood of young labour, caused bewilderment and alarm to men accustomed to the old conditions. They tried to stop the torrent of apprentices. They attempted to resist the inroads made upon traditional rates of wages. They sometimes offered opposition to the new machinery. They often sought protection by combining in Trade Unions. In their "History of Trade Unionism,"\* Mr. and Mrs. Webb find its "fundamental condition" not so much in the "introduction of machinery and the factory system" itself as in the accompanying, and preceding, "economic revolution" At that particular time indeed the economic change was felt more widely and more completely wrought; but at an earlier date it had been accomplished in some places and some trades. The essence of the change was this. "In all cases," Mr. and Mrs. Webb write, "in which Trade Unions arose, the great bulk of the workers had ceased to be independent producers, themselves controlling the processes, and owning the materials and the product of their labour, and had passed into the condition of life-long wage-earners, possessing neither the instruments of production, nor the commodity in its finished state." The building of factories, and the use of costly, elaborate, machinery, hastened the process and extended its range, but "permanent combinations" of wage-earners, or trade unions, had arisen previously. In the West of England, for example, the "wealthy clothiers" supplied, and owned, the material, and employed at different stages of the manufacture different sets of workers, who had the implements, but not the capital or knowledge, necessary to conduct the industry. In Yorkshire, on

the other hand, the small master-craftsman continued to buy his raw material and sell his finished goods, and in this district Unions did not arise until the factory came. But in the West of England they prevailed throughout the eighteenth century. In the same way, when the framework knitter, in the hosiery trade, and the Sheffield operative, in the cutlery manufacture, lost, as a class, the ownership of their frames and wheels, combinations made their appearance, and remained. Unionism, in fact, first arose, not in the distress of the end of the century, among unhappy workmen, suffering "intolerable oppression," but amid the comparative prosperity of its first fifty years with "journeymen, whose skill and Standard of Life had been for centuries encouraged, and protected, by legal and customary regulations," and by the "limitation of their numbers."

23 The Unions first appealed, in vain, to the old law.

In the early history of the movement an appeal was made to the law and not against it. The skilled craftsman, threatened by the flood of young pauper labour, sought protection in the Act of Elizabeth, which limited the quantity, and fixed the conditions, of apprenticeship. The worker in those textile trades, which had grown up since, and were exempt from such provisions, tried to secure that legal ordering of wages, which, taken from clauses of the Statute of Apprentices, had been extended to a wider area. Petitions with these objects were sent to Parliament, and until the middle of the eighteenth century met with treatment which was not unfavourable. The attitude of the House of Commons changed, less in consequence of any deliberate adoption of a fresh

political or economic theory, than under the resistless influence of the new facts brought forward by the new employers. The mediæval customs were impossible, they urged, if the growing export trade of the country was to be maintained, for the unrestricted use of the improved machinery, and the free employment of cheap, abundant labour, were conditions essential to the progress of those rising manufactures, by which the export trade was swelled. New legislation on the matter was accordingly refused, and the attempt of the workmen to enforce, by law, statutes disused, but not annulled, was met by their repeal. In 1813 the power of the justices to fix the rates of wages disappeared, and, a little later, the apprenticeship clauses of the Elizabethan Statute shared the same fate 1813

24 The law was not hostile to them until a general Combination Act was passed.

Trade Unions, then, were not at the outset hostile to the law; but, on the contrary, sought, unavailingly, its aid. Nor was the law at first avowedly hostile to them. Some combinations were permitted; others met with rare interference. If they sought merely to enforce the existing law—to secure a regulation of wages by authority, or to bring to account masters, who violated the Statute of Apprentices—they were not, it seems, treated as illegal. If, on the other hand, they tried to settle for themselves the conditions of employment, they came into conflict, not only with the common law forbidding "restraint of trade," as it was soon to be interpreted, but also with express provisions of the statute law. But it was not until the close 1799, 1800 of the century, in 1799 and 1800, that a general Combination Act declared that all combinations

were illegal. In theory this veto applied no less to employers than to employed. In practice there were difficulties in reaching combinations of the former, which might rest on some general understanding, or were at least more easily kept secret. Nor was there any disposition on the part of the administrators of the law to make its powers felt in this direction. The passing of the Act, it seems, was prompted by the rapid growth of Unions among the textile workers of Lancashire and Yorkshire, and, while some associations of workmen might continue unmolested, and approved by the employers, among the old skilled handicrafts, the pressure of the laws was, on the other hand, severely felt in the industries, where the ancient barriers had been removed, and the new regime of machinery was fully introduced. There it was that ill-feeling was rife, and that disturbances occurred. There it was that machinery was attacked and broken. Unions were formed, and suppressed, and formed again in secrecy. Competition for employment, at intervals at least, became quite reckless. Wages were thrust downwards. Misery and poverty prevailed.

25 The Combination Laws were repealed largely through the energy of Francis Place.

The repeal of the Combination Laws was due partly to the action in Parliament of Joseph Hume. 1824-1825 It was more largely due to the skill and zeal of Francis Place—a “figure behind the scenes.” His life, which has been written\* in the main from manuscript left by himself, is a record of busy energy. He has been described,† not unjustly, as,

\* By Mr. Graham Wallas.

† By Mr. and Mrs. Webb (“History of Trade Unionism,” p. 86).

in his narrow sphere, the "most remarkable politician of his age." "His chief merit," it has been said, "lay in his thorough understanding of the art of getting things done." "Of all those artifices by which a popular movement is first created, and then made effective on the Parliamentary system, he was an inventor and tactician of the first order." By trade a master-tailor, he made his shop at Charing Cross the centre, first of the movement for the repeal of the Combination Laws, and then of that for the Reform of Parliamentary Representation, which ended in the famous Bill of 1832. His management of the Committee of Inquiry appointed in 1824, on Hume's motion, to investigate the three subjects of the laws forbidding respectively the emigration of artisans, the exportation of machinery, and the combination of workmen, and intended by Hume and by himself to achieve the one particular end they had in view, was masterly. The Ministry were betrayed into taking no interest in its original formation; but Hume, as chairman, guided its proceedings, and Place prepared the evidence. The result was a Report favourable to complete freedom alike of combination and of emigration, and the passage of a Bill, repealing all the Combination Laws, without discussion or division.

## 26 But the final victory of the Unions was not won for fifty years.

The workmen were not slow to use their privilege. Unions were formed, and strikes occurred, in many trades. The employers were alarmed, the Ministry were aroused, and a fresh Committee of Inquiry was appointed, made up this time on different lines. But Place, again, under adverse circumstances, showed his mastery of the

arts of agitation. The Committee was forced to hear the evidence of workmen favouring the repeal of the Laws, as well as of employers anxious that they should be again enforced. Hume, who was sitting on this new Committee, was duly furnished with the appropriate means of examination and of cross-examination. Numerous petitions were laid before both Houses, and a wholesome fear was fostered of revolutionary disturbance, should the Laws be introduced afresh.

In 1825 the event, an Act was passed, by which the prohibition of the common law was nominally re-established, but associations for fixing wages, or the hours of labour, were exempt from prosecution. A real victory for the right of combination was thus won. Place himself and his friends thought, indeed, that the Unions would disappear when the motive of resistance to the law did not exist. Other observers held that the struggle of the workmen with the law was over. The prophets were proved wrong. Unions were formed in large numbers, and became a permanent institution of the labour world, and fifty years had yet to pass before it was pronounced by Parliament that no act was illegal, when performed by a group of workmen, which would not be illegal, if it were done by a single individual. In the time between unionists sometimes found themselves entangled in the meshes of the common law, forbidding action "in restraint of trade." Or they were accused and sentenced, in name perhaps for such offences as giving or taking illegal oaths, or intimidating, but really for the "crime" of combination. For a while, they 1848 were caught by the wave of political agitation, which ended in the Chartist movement of 1848—the contribution made by England to the revolutionary

disturbances of that eventful year. Ambitious aims of a vast federation of the labour-world, or socialistic schemes, attracted their attention at that time. But from about the middle of the nineteenth century they passed under the strong, but prudent, guidance of a group of able, resolute officials, who, by 1871-75 limiting their programme, accomplished its performance. They finally won for the Unions legal recognition and liberty of action.

## E — COMMERCIAL MOVEMENTS BANKING REFORM AND FREE TRADE.

27. The effect of the War with France was great, especially in matters of finance.

The fortunes of the Unions rose and fell, not merely with their success, or failure, in winning Parliamentary concession, or legal sanction, but also with the ebb and flow of the tide of trade. The War with France laid a lasting burden on the finances of the country. It left behind a great increase of national indebtedness. But during its continuance manufacturers and merchants reaped advantage. Our trade developed in the absence of foreign competition. It grew in spite of hostile action, such as the Berlin and Milan Decrees, by which Napoleon, retaliating for Orders in Council, 1806-7 aimed by us against neutral traders, tried to exclude our goods from Continental markets. The close of the war was followed by serious depression. Whether the inevitable reaction was, or was not, increased by incidents connected with the banking institutions of the country, was a question which gave rise to eager

and prolonged dispute. In 1797 the Bank of England was directed to suspend its "specie payments" 1797. It was thus freed from an obligation to give, on demand, coin in exchange for its notes. For some time, by wise and able management, it avoided the danger which was likely to arise. There was no sign of excessive issue of the notes, now rendered "inconvertible." But, after a while, either, as some contended, from the pressure of special adverse circumstance, or, as others argued, owing to the lapse of the directors themselves from a standard difficult to maintain, a depreciation in the value of the notes occurred. According to the 1810 Report of the Bullion Committee, appointed in 1810, it was shown by the "foreign exchanges." That Committee recommended a return to "specie payments." In 1815 peace was again restored, and 1819 with the Resumption Act of 1819 the period of the Bank "Restriction" ended. The Bank itself, by its own action, anticipated the date when the provisions of this Act came into force. The Resumption took place on the new basis of a single gold standard. In 1774, when the bad condition of the gold in circulation had attracted notice, and required recoinage, the silver also was made legal tender in the payment of debt by "tale" (or simple counting) for sums of less than twenty-five pounds alone, while it continued to be legal tender by weight for any amount. This measure was, it seems, suggested by the great quantity of light silver 1798 circulating, especially of foreign origin. In 1798, however, the free coinage of silver was first suspended, and then forbidden; and, on the "resumption" of cash payments, silver ceased to be legal payment for debts of greater amount than forty shillings, and both

it and copper were henceforth token coins, containing less metal than was represented on their face.

28. A controversy on the management of the paper currency ended in the Bank Charter Act of 1844.

The sequel, if not the consequence, of the "resumption" of cash payments was an unpleasant period of trade "depression." In 1825 many failures followed an excessive issue of notes by the country banks, and over-speculation was succeeded by depression. During the time, which passed between the "resumption" and the Bank Charter Act of 1844, a controversy raged on the proper mode of managing the paper-currency. One party, of which at one time Thomas Tooke was a leader, urged that the issue of paper-money might, with safety and advantage, be treated as an ordinary affair of banking, subject only to the common rules, and guarded by the regular precautions, of wise banking. If, they argued, the notes were on demand "convertible" into gold, they would not be issued to excess; for at the moment when their value, owing to undue abundance, sank below the coin, of which they were the representatives, they would be brought for payment to the banks from which they had been issued. The other party, under the guidance of Lord Overstone, contended, on the contrary, that further measures should be taken to guarantee "convertibility." This party triumphed, and their opinions found expression in the Act of 1844, renewing the charter of the Bank of 1844 England. That Act separated the Issue Department of the Bank from the Banking Department, which carried on the ordinary business of a banker, receiving deposits, discounting bills, and cashing cheques. Beyond

a certain figure, representing the amount of notes likely to remain always in circulation, the issue of paper was restricted by the condition that gold must be placed to meet it in the cellars of the bank. The action of the Issue Department became automatic, giving notes in exchange for gold, or gold for notes. The issues of the country banks were to lapse to the Bank of England whenever the partnerships, by which they were then managed, were dissolved, and to the extent of two-thirds of these lapsed issues the Bank of England might make further issues without depositing gold to meet them.

29 "Commercial crises" were not prevented by the Act.

Lord Overstone and his supporters hoped, by controlling the issue of paper-money, to check excessive speculation, and to prevent "commercial crises". They wished to avoid the ruin and distress which followed. In this they were disappointed. Prosperity and depression of business came, and went again, in turn. Dulness brightened into cheerful confidence, confidence grew into extravagant speculation, speculation ended in sudden collapse, followed again by despondent dulness. In Lord Overstone's own words, "trade revolved" in an "established cycle". These commercial crises were connected with the growth of credit. They had, indeed, occurred in the early part of the eighteenth century, and the South Sea Bubble of 1720 was a notorious instance. But the great increase of business in the internal transactions of the country, and in its intercourse with foreign nations, which accompanied, and followed, the manufacturing development of the latter half of the century, was attended, and to some extent was rendered possible, by a corresponding growth of credit. Paper-

promises to pay—bills of exchange and cheques—were used in greater numbers in place of the immediate passage of actual cash from purchaser to vendor. The possibilities of speculation—of buying to sell again—were enlarged, when goods made in great quantities, in anticipation of demand, were sent to distant quarters of the globe. But the possibilities of disaster were also multiplied; for more frequent and more serious miscalculation might be made. Fashion might change from some caprice, or some calamity might unexpectedly occur, in a distant district, and demand might suddenly grow less. Merchants and manufacturers might be required to meet engagements before they intended, or were ready. Credit might contract; paper-promises to pay, accepted freely hitherto, might be suspect; and actual coin, or notes convertible into cash on demand, might be urgently sought; for they alone could legally discharge a debt. Such crises occurred 1793 in 1793 before the Bank Restriction, in 1810 and 1810 1816 before the “resumption” of cash payments, 1816 in 1825, after this had taken place, in 1837, 1825 before the Bank Charter Act was passed, in 1848, 1837 and 1857, after its enactment 1848 Then immediate causes differed. Speculation in American mines, 1857 and the over-issue of notes by the country banks, were alleged in 1825 Excessive development of railway construction, fixing capital in a form from which it could not easily be diverted, was accused in 1848. But, whatever the special cause might be, the consequences were the same. Nor was the course of one commercial crisis widely different from another Panic succeeded to excessive confidence, and was followed by reluctance to engage in any but the safest ventures.

30 Agriculture was depressed, in spite of Corn Laws

The agriculture of the country did not escape its share of the depression following the War. That was felt in a serious fall of prices. Corn indeed had ceased to be exported. The demands of a population, which had grown from some five millions at the beginning of the eighteenth century, and some six millions in the middle, to some nine millions at the end, changed the position of affairs. But the growth of coin was still encouraged

by the action of the State. It was shielded by  
 1773 import duties from foreign competition. In 1773  
 its export was forbidden, and the bounty was withdrawn, when the price of wheat rose above forty-four shillings the quarter. Importation from abroad

was permitted only if the price of English wheat  
 1813 were more than forty-eight shillings In 1813

1815 the bounty on export was abolished. In 1815 the limit, placed upon the importation of foreign  
 1829 wheat, was raised to eighty shillings In 1829 a

"sliding scale" was substituted, and, henceforth, the import duty varied with the price of English wheat, and was lowered when the latter rose. But in practice the benefits of such protection were discovered to be mixed. The landlord gained, but the farmer suffered. Prices varied suddenly and widely, and rents, offered and taken on the footing of the higher prices, which were expected, were not easily altered, and, in fact, failed to correspond, to a lower level. The excitement of speculation existed, but its accompanying

1846 evils did not fail to make their presence felt In  
 1849 (1846, however, the Coin Laws were repealed,  
 and in 1849 the duties finally disappeared. The agita-

tion for Repeal was vigorously conducted. It enjoyed the support of the persuasive reasoning of Richard Cobden, and of the pure but moving eloquence of John Bright. It enlisted the active sympathy of the manufacturing classes, interested in obtaining labour cheap, and anxious that food should be abundant. As the Tory landowners demanded Factory Legislation, so the Whig manufacturers urged the Repeal of the Corn Laws. Their motives were mixed, and were not disinterested. In either case from private selfishness public advantage finally resulted. But perhaps the most effective argument for Repeal was famine in Ireland. The stern logic of fact thus accomplished what the logic of words might have tried in vain to achieve.

31. The Repeal of the Laws marked a stage of reform. Walpole had been a great financier

The immediate introducer of Free Trade in Corn was Sir Robert Peel. His conduct was bitterly condemned by members of his own political party, who said that they had been betrayed. It was described as a sudden strange conversion. Undoubtedly he laid himself open to the charge of taking his supporters by surprise, although the Repeal may have been a conclusion to which he did not know that he was coming before he found escape impossible. Yet it is certain, as cooler observers noted later, that his action was not inconsistent with his general policy. The Repeal of the Corn Laws was a further advance in the same direction of Free Trade as that in which his previous dealings with duties on other commodities had tended. He moved, in fact, along a path of reform trodden by Huskisson before him. He added a fresh stage to a building, of which the foundations were attempted by Pitt, and the coping-stone was placed

by Gladstone. In the early part of the eighteenth century, during the long period of peace and <sup>1721-42</sup> prosperity which marked Walpole's administration of affairs, no mean financial genius had been shown. Walpole had remodelled the revenue in various ways. He had tried to reduce the Debt. He had improved the mode of collecting certain duties, such as that on tea. By establishing "warehouses," where the imported article might remain in "bond," paying the duty only when removed for sale, he had been enabled at once to lower the tax, and to increase its yield, for he had diminished smuggling. He had been anxious to extend the same reform to wine and tobacco. But he had been compelled to yield before an unpopularity aroused by the connection with his measure of the odious name of excise. A customs duty, payable on importation, was, by his scheme, to be replaced by an excise duty, paid when the article was about to be consumed. In spite, however, of such anticipations of the reforms in the machinery of collecting the taxes, which were afterwards brought to successful completion by financiers, like Peel and Gladstone, Walpole's customs policy was framed in accord with the principles of the Mercantile System, and forty years of war, and of bad finance, sufficed to undo much of the improvement he had introduced.

### 32 The reform of English finance began again with Pitt

<sup>1781-1801</sup> Towards the close of the century, Pitt, imbued with Free Trade principles, which he had learnt from Adam Smith, began the work afresh. He tried to establish a balance between expenditure and revenue, and he took some effective steps

towards this end. But his repute has suffered from the faith which he, like many others less able than himself, reposed in the delusive juggle of a sinking-fund, by which the debt was to be reduced with surprising speed by the mysterious force of compound interest. He also showed an anxiety to lower excessive duties. He succeeded in making them simpler by substituting a single tax on each commodity for the varied number, which had been imposed from time to time with little reference to what had taken place before, or to any regular system. During the early period of his tenure of office, while peace was preserved, his finance was guided by such enlightened principles. But his efforts were rudely checked by the War, and by the overpowering need of raising revenue from every source by every means. The Debt was enormously increased. From two hundred and forty millions it rose to nine hundred. The annual expenditure grew from nineteen millions, of which the charge for the Army and Navy amounted to six, and that for the Debt to nine and a half, to a hundred millions, of which the Army and Navy absorbed fifty-six, and the Debt thirty-two millions. After the war was over Huskisson enjoyed, and used, the more favourable opportunity for reformed finance. He relaxed the Navigation Laws. The revolt of the American Colonies had made a change necessary, if trade was to be pursued between England and the States, and before the time of Huskisson himself some special exceptions to the restrictions of the Laws had been allowed. A principle of mutual "give and take," then recognised, was now extended. In return for facilities granted by foreign nations for importing goods into their countries, England yielded

some part of that monopoly of the carriage of goods to English territory, which the Navigation Laws had retained for English ships. Concessions were also given to the Colonies. Nor was this the one example of Huskisson's more liberal policy in international trade. He aimed at substituting restrictive for prohibitive duties. He paved the way, in short, for the further advances to Free Trade, which his successors were to make.

### 33. With the adoption of Free Trade, this history ends.

Peel followed in his steps. He tried also to abolish duties on the raw materials of manufacture, as

1842 he declared in 1842, in his first Budget speech.

His Repeal of the Corn Laws was thus in a real sense the continuation of his fiscal policy. Mr. Buxton has remarked in his "Finance and Politics,"\* that "Peel found the tariff with over a thousand articles subject to duties; and left it with but half the number."

1853 By the budgets of 1853 and 1860 Gladstone closed

1860 the work. The many unfruitful taxes on numberless commodities were reduced to duties which were

so light as not to encourage smuggling, and were levied on a few articles very generally consumed. Such duties were

raised for purposes of revenue alone, and did not aim at

protecting goods produced at home from the competition of foreign articles. They were accordingly placed on

goods which were not products of the country, such as tea, or coffee, or tobacco; or, where foreign commodities,

like wine, competed with home-produce, such as beer, an excise duty was imposed on the beer, equivalent to the

customs duty on the wine. The intention, at any rate, of the authorities was plain. Trade was to flow in

natural channels, so far as Government could secure this aim, by abstaining from interference. Artificial encouragement was at least no longer to be consciously bestowed. Thus was proved untrue the prophecy made less than a century before by Adam Smith, who declared\* that it was "as absurd" to "expect" that the "freedom of trade" "should ever be entirely restored in Great Britain" as it was to "expect that an Oceana or Utopia should ever be established in it" The Repeal of the Corn Laws was followed, in 1849, 1849 and 1854, by the total abolition of the Navigation 1854 Laws, and the Budgets of 1853 and 1860 completed the work of reform. The Mercantile System disappeared, the era of Free Trade was opened in its stead. The economic events, which have happened since, are too recent to be treated in these pages, and with the middle of the nineteenth century this history may fitly end. In the next and final chapter we shall examine the ideas of that new school of economic science, to whose influence was largely due the acceptance of the principles of which Free Trade was the illustration.

\* "Wealth of Nations," Bk IV, chap 11.

## CHAPTER X.

### THE INDUSTRIAL REVOLUTION AND THE NEW ECONOMICS.

#### CONCLUSION · THE RISE AND PROGRESS OF ECONOMIC SCIENCE

i A serious difficulty of economic history is the connection of causes and effects

The study of economic history is beset by more or less serious difficulties, but no problem presents itself more often, or is less easy to solve, than that of parting from the tangled mass of facts the threads connecting causes with effects. Events follow, and seem related to, one another. But to decide that one event is the sole cause of another, or that the consequences of a particular movement can be separated from their surroundings, is often impossible, and is generally hazardous. To produce a certain result many causes have usually been at work, of which some have joined, and others have clashed, with one another, and the precise portion of the total effect, which should be assigned to any one, may be imagined, but can rarely be ascertained. The diligent examination of historical records, however, diminishes the chance that an important influence will be neglected. It affords the means of bringing together events in orderly

succession. It increases the likelihood of avoiding error in the estimates we form of the strength of different forces.

2. Our commercial and industrial supremacy has been due to several intermingled causes

Thus, the study of English economic history leads to the conclusion that our commercial and industrial supremacy has been due to many causes. Our geographical situation enabled us to take advantage of the opportunity offered in the sixteenth century by the discovery of America, and the opening of the passage to India round the Cape. Commercial intercourse was then shifted from the Mediterranean to the Ocean, and Venice lost what England eventually gained, though Spain and Portugal, and Holland and France preceded her. The influence of this single cause cannot be doubted; but with the effects of our situation, placed between the Continent of Europe and the sea joining the New to the Old World, the results of our occupation of an island are also mingled. That has given security against foreign invasion, and favoured maritime and commercial enterprise. The new mechanical inventions of the eighteenth century made possible the development of our manufactures; but they also received a stimulus, and the rapidity of the process was increased, during the Napoleonic War, when the competition of foreign countries was checked by the presence of armies on their soil, or the threat of their approach. Since we succeeded in taking the carrying-trade from Holland, distracted as she was by exposure to attack by land, we have enjoyed the largest share of maritime traffic. We have secured, and we have retained, the mastery of the sea. Our coast-line, again, has furnished convenient harbours; and the existence

of many rivers, either navigable by nature, or easily rendered so by artificial means, has permitted of trading intercourse, scarcely less easy and effective, in the interior of the country. In the early days of the mechanical inventions the rivers of the North supplied plentiful stores of the motive-power used to produce the goods, and convenient routes for their carriage to their markets or the sea. At a later period of the "industrial revolution," when a new source of motive-power was used, and a new means of locomotion was introduced, abundant stores of coal were found available at no great distance from rich deposits of iron. The material for the new machinery, the means of preparing that material for use, and of generating the power to drive that machinery, were thus supplied in plenty. Similarly the iron to make, and the coal to move, the locomotive were ready for the call of the inventive genius of the engineer. The consequences of the exhaustion of our coal, or at least of the seams more cheaply worked, are not easy to foretell. Whether they will, or will not, be postponed, or be made less serious, by the use of electricity as a motive-power, is a question which the near, or distant, future will answer. But that in the past advantage has been gained from the convenient situation and the rich nature of our coal deposits is a fact of economic history.

3 Human action has assisted natural forces; and Free Trade has had a powerful influence.

If we pass from physical or natural advantages to those more closely concerned with the action of man, it is not difficult to name powerful influences, which have contributed to the development of English industry and commerce, but it is rarely, if ever, possible to show, or measure, the precise effect due to each separate cause,

or to fix the exact result following, or likely to follow, a decline in its strength, or its entire decay. Many forces have been at work at different times, producing mingled consequences. The introduction of foreign workmen, such as the Flemish weavers, the encouragement of certain industries, like the growth of corn, by granting bounties, or the manufacture of cloth, by forbidding the export of the raw material, and the discouragement, or prevention, of foreign competition by navigation laws or import duties, have in different periods of the past exercised an influence. In the nineteenth century the adoption of Free Trade was followed by a great increase of wealth, but writers, tracing to this single cause the subsequent prosperity of England, are met by the fact, which deserves and needs consideration, that the introduction of Free Trade was accompanied, or was followed after a brief interval, by important events, like the large construction of railways, which improved the means, and reduced the cost, of transport, or the great discoveries of gold in California and Australia, which applied to trade the quickening impulse of rising prices. To these, in any comprehensive estimate, some portion at least of the growth of business and of wealth must be attributed.

#### 4. The adoption of Free Trade marked a change in economic opinion

Yet the adoption of Free Trade opened a new era; and its importance may here be noted as the outward sign of a changed mental attitude. It was the triumph of a new school of thought. It was the application to an important department of practice of the fundamental ideas of that economic science, which supplanted the old Mercantilist creed. Trade was to flow in natural

channels, not between artificial dykes. Labour and capital, freed from restrictions, were to seek the most advantageous employments, guided by their own instincts. The increase of the "wealth of nations," and not the promotion of the power of a nation, was to be the controlling principle of commercial policy. With the discovery of the mechanical inventions, revolutionising the methods of industry, it had seemed absurd, if not impossible, to retain ancient restrictions placed on the free use of labour by the statute of apprentices and the regulation of wages. Free Trade, in the same way, implied the removal of barriers between nation and nation, which were equally vexatious, and no less opposed to the new conditions. In matters of commercial intercourse the whole world was to be one nation, and nations were to be as persons. Division of labour, and the growth of separate employments, within the boundaries of a country, marked the advance of civilisation, and promoted the increase of wealth. But they were not fully possible without free exchange of the products of the labour thus divided. Free Trade was, in essence, the development of this principle—it was "international division of labour."

5 Adam Smith was the father of a new school of thought

Such doctrines as these Adam Smith expounded towards the close of the eighteenth century in his "Wealth of Nations." He has been called the "father" of English Economics, and the description is substantially correct. It is true that before his time writers of note had dealt with such topics as he discusses. "Man's actions in the ordinary business of life"—the way in which he makes his income and the mode in which he uses it—

had attracted earlier notice. The pages of this history contain some references to ideas, more or less profound, expressed at various periods on economic matters. But with Adam Smith the standpoint, from which the study was regarded, was changed. A fresh conception was introduced, and economic science was severed from the art of national finance. The Mercantilists had connected their inquiries closely with the aim of a wise statesman—the best mode of adding to the power of a country. This lay chiefly, as they held, in additions to its stock of treasure. It was because a "poor people" made a "poor king" that French "economists" similarly busied themselves with the causes of the wealth and poverty of the people. They were the source of the revenue of the sovereign. The questions, which thus engaged the thoughts of economic students, were concerned with good or bad finance. Adam Smith himself retained traces of this as he did of other ideas, which in the main he had discarded. Yet his writings were an advance, because he laid more stress on the connection between cause and effect in matters of wealth, and gave less prominence than heretofore to the practical art of enlarging the revenues of the sovereign. He took a more detached position. He sought to answer more frequently the question what is the case and not what ought to be.

#### 6. He separated the science of Economics from the art of finance.

He is chiefly known to fame for his advocacy of Free Trade, which met with rare success. In pursuance of this aim he examined and refuted Mercantile opinion. He rejected the balance of trade as the test of flourishing commerce. He urged the removal of restrictions on "natural liberty." He preached the adoption of Free

Trade as the course most likely to promote the "wealth of nations." That would result, in his opinion, from the unrestrained pursuit of their own interests by individuals. By this change of practical aim the new Economics was parted from the old. But it was also separated in another way. The scientific study of facts, as they were, replaced the art, which, by continued interference, moulded facts according to a pattern it desired. When freedom of individual action superseded the regulation of the state, such scientific study was possible; and, though Adam Smith did not consistently maintain this attitude, yet he conformed to its requirements more closely than his predecessors had tried to do. It was in a scientific spirit that he investigated the forces influencing the growth and the decay of wealth. He may accordingly be called with justice the father of English Economics. Economic Science, as we now know it in this country, began with his writing. The agricultural, industrial and commercial changes, noted in the last chapter, amounted to a "revolution." They were accompanied by a change of reasoning no less complete. The "Wealth of Nations" marked a breach from the type of reasoning—more practical than scientific, more political than economic—which had before found favour.

#### 7. With his name those of Malthus and Ricardo may be joined

Three names are conspicuous on the roll of economic writers between the middle of the eighteenth and the middle of the nineteenth century.\* The study proceeded, in the main, on the lines which they laid down; and at the close of the period a fourth economist, from whose

\* Cf. the present writer's "Short History of Political Economy in England from Adam Smith to Arnold Toynbee."

writings a fresh departure began, embodied in a comprehensive scheme the conclusions reached by them, and their disciples and critics. The three writers were Adam Smith himself, Thomas Robert Malthus, and David Ricardo. The fourth economist was John Stuart Mill. In a history of economic science it is true that other names would need more than a passing mention. The ability of Nassau William Senior left a deep impression on economic thought. The direct and indirect influence of Jeremy Bentham and of James Mill was great. Richard Jones has been treated by some historians as a leader in their studies. In statistics, which, acting as a handmaid to economic science, presents facts in numerical array, Thomas Tooke is conspicuous for inquiries similar to those which Sir William Petty, with poor material, but marked ability, had attempted more than a century before.

#### 8. He was peculiarly impressed by the evils of restricting natural liberty.

Yet Adam Smith, Malthus and Ricardo were specially prominent. They were in a distinctive sense the representatives of the new economics. Adam Smith, the first in time and influence, lived on the eve of the industrial changes, Malthus and Ricardo, who were contemporaries and friends, dwelt in their midst. The theories of all were coloured by the circumstances of their day. Adam Smith himself was deeply impressed by the mischief due to surviving relics of an old-fashioned system. He was conscious of the serious hindrance to free industry and enterprise offered in the internal business of the country by the statute of apprentices, the law of settlement, and the rules and restrictions of corporations, and in external commerce by the "mean and malignant"

expedients of the Mercantile System—the duties on imports, the bounties on exports, the commercial treaties with foreign countries, the monopoly of colonial trade and the government by exclusive companies. He did not witness the evils attending unrestricted liberty in the early period of the factory system. He was inspired by a passion for freedom, which lent force to his pleading, and imparted interest to his argument.

9 In spite of different judgments passed upon his "Wealth of Nations," it occupies an unique position

His "Wealth of Nations" was published in 1776. In the first two of the five books, into which it is 1776 parted, he treats of topics usually found in a modern text-book, but a different order is followed, and the discussion is less systematic. In his fourth and fifth books he is more concerned with the art and practice of statesmanship, with the rejection of the false methods of the Mercantile System, and the announcement of sound rules of finance. In the third book he is engaged in an historical inquiry into the progress of the wealth of different nations. The record of facts is here prominent, but throughout his treatise so lavish was his use of facts, and so keen and constant was his reference to practice, that he has been claimed by some critics as the example of that proper mode of economic study which consists, as they think, of inquiry into fact, and avoids long chains of reasoning. Others have urged that certain assumptions, such as a harmony between the interests of the community and the interests of the individual, underlie his argument, and that his reasoning furnishes a starting-point, from which elaborate developments of theory have sprung. Malthus and

Ricardo, again, respected him as their common teacher, though they differed from him on certain points. Yet he has been praised as a model from whose example Ricardo departed with unfortunate results. Searching inquiry has also shown that he was influenced more largely by his predecessors, and especially by the French, than had been supposed, or might even be judged from his own acknowledgments. But this criticism has not dethroned him from the eminence which he enjoys. He possessed that originality, which will state an old proposition so that it seems, and is really, new. He added so much of his own genius, where he borrowed from others, that he might claim at least a parentage of adoption. He wrote in a manner which earned for his book the rare repute of a "classic." He exerted an influence on practice which has not been paralleled.

10. Malthus is known for his "Essay on Population."

If the fame of Adam Smith was great, the notoriety of Malthus was scarcely less. He has suffered indeed the fate of many writers, whose opinions are taken as they are passed through common rumour, and are rarely, if ever, compared with their original statement. It is true that in the first edition of his famous 1798 "Essay on the Principle of Population" he asserted his position with an emphasis which was softened in succeeding versions. Misinterpreting the glowing picture drawn by socialist reformers, like Godwin, of a future state of society, where the substitution of common for private property would be attended by unbroken happiness, he maintained that an antagonistic principle, rooted in the nature of man, would work destruction. Population, he argued, tended, unless

restrained by checks, to multiply faster than the means of subsistence. In his first edition he laid the stress of his argument on the powerful character of the tendency, in the later editions he devoted the greater portion of an enlarged treatise to a careful study of the operation of the checks. To those checks he made a significant addition in the prudent foresight of man himself. By preventing an excessive population from coming into existence, man might thus remove the need for the cruel relentless action of nature, which destroyed by pestilence or famine an existing redundant population. In the first edition, in fine, Malthus was a controversialist; in the later he was rather the historian and statistician.

II His influence was also great, in spite of some uncertainty of view.

Like Adam Smith he was influenced by the circumstances of his own day. Under the lax administration of the Poor Law, and the stimulus applied by the demand for soldiers in the army, and for labourers in the factory, population was growing with alarming speed. It seemed to be pressing more and more closely on the means of subsistence, for worse and worse land was continually being taken into cultivation. A series of bad harvests was added to the evils of the time. The price of food was rising. The rate of wages was falling. Since that distressing period circumstances have greatly changed. But such was the influence of Malthus on the current of thought that, in spite of corrections made by himself, leaving his final position doubtful, and of further qualifications suggested by later experience and longer reflection, a writer like John Stuart Mill, fifty years afterwards, was haunted by the dread of over-population,

and tested all proposals of reform—whether peasant-proprietorship or co-operative production—by their effect on the numbers of the people.

12. On general economic matters he adopted a position opposite to that taken by Ricardo

Malthus is chiefly known for his "Essay on Population." But he wrote on other economic topics, and the same temper, which caused his attitude on the possibilities of population, and the efficacy of checks on its increase, to become so balanced as to seem indefinite, or even inconsistent, made him mistrust the rigid, consistent, scheme of doctrine put forward by Ricardo. Some correspondence, passing between Ricardo and himself, has been preserved, and in their friendly discussions he appears to have played a similar part, and to have raised similar objections, to those associated afterwards with critics of the Ricardian economics, who advocated the historical method. For Ricardo has been generally regarded as the typical example of that abstract reasoning to which, as we saw at the beginning of this book, the historical method was opposed.\*

13. Ricardo's writing was marked by subtle, abstract reasoning, due largely to his surroundings

Ricardo's theories, indeed, were not, as some of his critics have urged, unrelated to facts. Like Adam Smith and Malthus, he was influenced by the times in which he lived. His conceptions were suggested by some prominent characteristics of the world around him. The industrial "revolution" had disturbed the existing order. It had introduced an unresting bustle in place of more stable conditions. A rapid production of wealth, and a constant movement of population, seemed

\* Cf. above, chap. i.

to betoken the presence and influence of that intense resistless competition, which formed the assumption of so much of Ricardo's reasoning. It did not appear untrue to fact to treat human individuals as if they were urged in one direction or another solely by a desire for wealth. It did not seem unreal to ignore, in comparison with the ruling motive of enlightened self-interest, the various feelings and passions of men and women, which might offer a resistance unknown to commodities. Such an assumption was, at least, especially true of that money-market, in which Ricardo passed the greater portion of his life, and his reasoning on money has held its ground unchallenged, even when his treatment of the human agents of production, and his conception of the forces governing the distribution of wealth among them, has been questioned, and been modified, and even overthrown. To the general spirit of the times, and the special associations of his business-life, the national temperament of a Jew, with a fondness and capacity for subtle reasoning, must be added as an influence tending to give his opinions their peculiar cast. He was always imagining "strong cases," he stated to Malthus. He was less inclined to lay any stress on exceptions to general rules. Nor, he believed, was he able to avoid certain "defects of writing." He was but a "poor master of language," he remarked. He "never explains himself," a critic has observed. He was induced, 1817 perhaps against his better judgment, to publish; and his friends and followers erected into a systematic treatise his "Principles of Political Economy and Taxation," which might more fittingly be regarded as collected notes.

14. He exerted a great influence both on the

economic thought and on the economic practice of his day, especially in the adoption of Free Trade.

But his influence was very great. His scheme of doctrine and his mode of argument agreed with a prevalent school of thought, the characteristics of which were happily described by an acute observer, when he said that Euclid was to its disciples the type of reasoning. A neat consistent system, dependent on a few simple principles, borne to their conclusions by rigid chains of logical argument, commended itself to their approval. Ricardo's theories were established as essential parts of economic science, sometimes without the qualifications, which a careful reader might discern as intended, though not emphasised, by Ricardo himself. Nor was the average citizen averse to finding easy guidance in such dogmatic utterances of economic authorities. The direct influence of economic theory on political practice in the middle of the nineteenth century was very great—greater probably than it has been before or after—and it was largely due to the simple emphatic form in which that theory was presented. The introduction of Free Trade was caused immediately by the pressure of famine in Ireland. It was also due less directly to the influence of the economic thought stated by the followers of Adam Smith, and, emphatically, by Ricardo. For the practical moral of the new Economics was the removal of all obstruction, and the opening of an unimpeded passage for natural forces to all departments of economic life—in foreign as well as internal commerce.

15. J S Mill embraced the approved conclusions of his predecessors in a treatise, from which a new departure began

With the adoption of Free Trade a new period of

economic study opened. Since that great triumph was won the attention of economic thinkers has been turned in fresh directions. Practical reform has changed its inclination. New tests have been applied to measure the worth or truth of theories. Old reasonings and conclusions have been revised, or questioned. The treatise of John Stuart Mill on the "Principles of Political Economy," published in 1848, may be said to stand at the parting of the ways. He was trained in the Ricardian school; but in economics, as in other subjects, he left to some extent the traditions of his youth. In his Preface he states an intention to follow the example set by Adam Smith, and to bring principles into close connection with their practical application. By Malthus he was so much influenced that the fear of over-population dictated his judgment on proposals of reform. He attempted, in fact, to combine into one whole the approved portions of the teaching of his three great predecessors, and, if later critics found inconsistency in different portions of his treatise, due to the uncertain state of his own opinions, for some time at least it was taken as the authorised version of that economic creed which Adam Smith had first expounded, and Malthus and Ricardo had afterwards accepted and developed. With Mill, accordingly, our sketch of the new economics may properly conclude. In criticism of his treatise a fresh development of thought began, too near in time to receive as yet the judgment which may afterwards be possible. As we noticed in the previous chapter, the facts of economic practice since the adoption of Free Trade have not taken their final place in history. It is at least not unfitting that an account of the new economic thought, which accompanied, and aided, the transition

from the Mercantile System, should end about the same point, and Mill's treatise was severed by a few years only from the Repeal of the Corn Laws. With that time, accordingly, this history concludes.

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